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PROGRAMME MATTERS

Report of the Government-designated Group of Experts on Further Measures to Reduce the Risks from a Limited Number of Chemicals

Note by the secretariat

1. The secretariat has the honour to circulate herewith, for the information of participants in the nineteenth session of the Governing Council, the report of the Government-designated Group of Experts on Further Measures to Reduce the Risks from a Limited Number of Chemicals on its work.

2. This report, which has already been circulated in all official languages under the symbol UNEP/PIC/EG/1/3, supplements the progress report of the Executive Director on the development of an international legally binding instrument for the application of the prior informed consent (PIC) procedure for certain hazardous chemicals in international trade, and the consideration of further measures to reduce the risks from hazardous chemicals, which will be before the Council at its nineteenth session as document UNEP/GC.19/24. The latter document also formally transmits to the Council for its consideration the recommendations of the Group of Experts, which are set out in annex I to the attached report.

* UNEP/GC.19/1.

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Annex

REPORT OF THE GOVERNMENT-DESIGNATED GROUP OF EXPERTS ON FURTHER MEASURES TO REDUCE THE RISKS FROM A LIMITED NUMBER OF HAZARDOUS CHEMICALS ON ITS WORK

Introduction

1. In its decision 18/12 of 26 May 1995, the Governing Council of the United Nations Environment Programme (UNEP) invited the Executive Director to convene a Government-designated Group of Experts to consider and recommend what further measures are needed to reduce the risks from a limited number of hazardous chemicals, either within or beyond the scope of the existing prior informed consent procedure (PIC), and to report thereon to the Governing Council at its nineteenth session.

2. In accordance with the above mandate, the first session of the Government-designated Group of Experts was held in Copenhagen from 16 to 19 April 1996, at the invitation of the Government of the Kingdom of Denmark.

I. ORGANIZATION OF THE SESSION

A. Opening of the session

3. The session was opened by Mr. J. Whitelaw (UNEP), on behalf of the Executive Director of UNEP, at 10.20 a.m. on Tuesday, 16 April 1996.

4. Mr. E. Lindegaard, Director of the Environmental Protection Agency, Ministry of Environment and Energy of Denmark, in his opening address said that threats to health and the environment from trade and use of hazardous chemicals represented one of the greatest environmental problems of the present time. The PIC procedure marked an important first step in regulating trade in such chemicals, which should never be allowed to go unchecked. Stressing the need to provide information, particularly to consumers, as a way of reducing risks in relation to dangerous substances, he said that consumer pressure could even stop the trade and production of such substances. Important measures included export notification; classification, packaging and labelling; more intensive monitoring; phase-outs; production of a list of dangerous chemicals for which substitutes existed; and long-term measures such as capacity-building, application of clean technology and technology transfer.

5. Mr. J. Whitelaw, thanking the Government of Denmark for hosting the meeting, said that Governing Council decision 18/12 reflected a need first to identify any issues that went beyond the scope of the PIC procedure, to look at the action being taken concerning PIC and persistent organic pollutants (POPs) and elsewhere, and provide the Governing Council at its nineteenth session with recommendations on what further measures are needed to reduce the risks identified from a limited number of hazardous chemicals. The meeting thus needed to look at the risks that would be avoided by implementing any proposed measures and the rationale behind the measures. In identifying problems, it was necessary to focus on those that were clearly global in nature and not raise local priorities, unless the solution to the problems they presented lay in global action.

B. Attendance

6. The session was attended by members of the Group of Experts from the following countries: Australia, Austria, Brazil, Canada, China, Colombia, Costa Rica, Czech Republic, Denmark, Germany, India, Japan, Malaysia, Mexico, Netherlands, South Africa, Sweden, Switzerland, Ukraine, United Kingdom of Great Britain and Northern Ireland, and United States of America.

7. Experts from Belgium, Chad and the European Community also attended as invited observers.

8. The following United Nations bodies and specialized agencies were represented as invited observers: International Labour Organization (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Institute for Training and Research (UNITAR).

9. The following intergovernmental and non-governmental organizations also attended as invited observers: Groupement International des Associations Nationales de Fabricants de Produits Agrochimiques (GIFAP), International Council of Chemical Associations (ICCA), Organisation for Economic Cooperation and Development (OECD), the Pesticides Trust (PT). The following non-governmental organization also attended: the International Council on Metals and the Environment (ICME).

C. Election of officers

10. The Government-designated Group of Experts elected the following officers by acclamation:

Chairperson: Mr. N.J. Jensen (Denmark)

Rapporteur: Mr. W. Scott (South Africa)

D. Adoption of the agenda

11. The Group of Experts adopted the following agenda for the session, as contained in document UNEP/PIC/EG/1/1:

1. Opening of the session.
2. Organizational matters:
   (a) Election of officers;
   (b) Adoption of the agenda;
   (c) Organization of work.
3. Consideration of the mandate given to the Government-designated Group of Experts by the Governing Council in its decision 18/12.
4. Identification of health or environmental problems that might require global action to reduce the risks from a limited number of hazardous chemicals.
5. Consideration and recommendation of what further measures are needed to reduce such risks from a limited number of hazardous chemicals.
6. Other matters.
7. Adoption of the report.
8. Closure of the session.

E. Organization of work

12. It was decided that the Group of Experts would meet in plenary, with the possibility of establishing small working groups, as needed, to consider specific issues.

II. CONSIDERATION OF THE MANDATE GIVEN TO THE GOVERNMENT-DESIGNATED GROUP OF EXPERTS BY THE GOVERNING COUNCIL IN ITS DECISION 18/12

13. Introducing Governing Council decision 18/12, a representative of the Secretariat drew particular attention to its paragraphs 2 and 3. The mandate directed the experts to take into account the work on the negotiation of a legally binding instrument for application of PIC, the work on POPs under way to respond to Governing Council decision 18/32, and the current work of the Intergovernmental Forum on Chemical Safety (IFCS). Therefore, the mandate of the present meeting should not duplicate the work carried out by other forums. He further noted that the decision did not specify what form any further measures might take, and hence there was considerable flexibility available to the Expert Group.

III. IDENTIFICATION OF HEALTH OR ENVIRONMENTAL PROBLEMS THAT MIGHT REQUIRE GLOBAL ACTION TO REDUCE THE RISKS FROM A LIMITED NUMBER OF HAZARDOUS CHEMICALS

14. In the discussion on agenda item 4, the Expert Group identified the following problem areas: risks of POPs; occupational risks in handling chemicals or pesticides; lack of training and education; lack of national legislation governing hazardous chemicals and pesticides; pollution of the environment by hazardous chemicals; dumping of hazardous chemicals; stocks of obsolete pesticides, including those received in the form of aid; lack of health- and safety-related information on chemicals and pesticides; risks of mixtures containing hazardous chemicals; access to confidential information concerning chemicals, products and mixtures; ease of trade and internal distribution of chemicals and pesticides; inability of small-scale industry to implement agreed procedures and regulations; lack of capacities to monitor and address problems identified and to ensure adequate implementation of agreements and procedures; need for technical and financial assistance, technology transfer and a special mechanism similar to the mechanism related to ozone-depleting substances (ODS).

15. In light of the above, and recognizing that many of these problems were being dealt with through existing conventions and other processes, the Chairman proposed that the Expert Group pursue its debate under four broad headings:

(a) Inadequate capacity of developing countries to handle issues of hazardous chemicals and pesticides;

(b) Disposal of unwanted stocks of pesticides and other chemicals;

(c) Insufficient information for chemicals management decision-making and action;

(d) Possible need to ban and phase out certain chemicals.

Inadequate capacity of developing countries to handle issues of hazardous chemicals and pesticides

16. A number of speakers described the activities - bilateral, regional and multilateral - that were already taking place to build capacities in developing countries for the management of hazardous chemicals.

17. Where legislation and regulations on hazardous chemicals had been adopted, it was observed, the Governments of developing countries often had difficulty in monitoring and enforcing their implementation.

18. Training needed to be provided to developing countries to enhance their capacity to interpret information on chemicals and pesticides and to help them identify those products which need to be controlled, subjected to careful use or whose use had to be eliminated as a result of the risks they

posed. It was also necessary to strengthen registers of chemicals in developing countries and provide training in how to use them.

19. In terms of physical infrastructure, equipment needed to be provided to developing countries, as well as laboratory facilities, particularly formulation laboratories.

20. It was stated that there was a clear need for improved flows of extra and existing resources for capacity-building, as those provided were small compared to what was allocated to other fields of development. In order to obtain a share of the available multilateral and bilateral assistance, Governments of developing countries needed to give sufficient priority to the area of chemicals management in their requests for assistance and explain their needs. With regard to industry financing of infrastructure development, a cautionary note was sounded concerning possible conflict of interest. Some representatives expressed the view that there was a need to set up a special trust fund to meet the particular requirements of developing countries.

21. It was stressed that capacity-building represented a shared but differentiated responsibility, requiring cooperation and coordination between countries, international and non-governmental organizations, industry and others to avoid areas of overlap or gaps in the management of hazardous chemicals. The importance of regional coordination was also highlighted, particularly in view of the fact that some countries, due to their size or other constraints, could not establish their own complete infrastructure for chemicals management. The representative of OECD said OECD was preparing information and compiling a database of how its members distributed aid so that all countries had an idea of what aid was being provided and by whom, in order to identify gaps.

22. In connection with information stored in databases, there was often no access to updated information and the capacity to interpret available information was low. More information was needed on trade in hazardous chemicals to make clear who was exporting and who was importing and had to be made available to the public. Hazardous chemical production sites needed to be registered, and that information made public. With regard to Pollutant Release and Transfer Registers (PRTRs), the information had to be given to communities so that the monitoring capacity for trade in hazardous chemicals could be developed.

23. The ILO experience in technical capacity-building was outlined. Its technical cooperation activities, including large-scale projects and smaller national and regional training activities, aimed at fostering national capabilities in the field of chemical safety. Whilst most funding of these activities came from the United Nations Development Programme (UNDP), donor countries and the World Bank, the regular budget of ILO covered a small part of the technical cooperation programme.

Disposal of unwanted stocks of pesticides and other chemicals

24. The representative of FAO gave an account of his organization's experience in addressing the problem of the disposal of outdated pesticides in developing countries. Guidelines for the disposal of pesticides were being prepared, and an inventory of stocks in Africa and the Near East was being undertaken. FAO considered that the best way of disposal was to collect the pesticides concerned and send them for incineration in a country with the appropriate facilities. That was a costly undertaking. In addition, since the obsolete pesticides were classified as hazardous wastes under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, agreement had to be reached between the importing and exporting countries. The situation was further complicated if the developing country was not a party to the Basel Convention, in which case, he suggested, the shipment would be illegal. Considerable resources

would be required to dispose of all obsolete stock, and a donor meeting was to be held later in the year to discuss how to proceed.

25. It was suggested that consideration should also be given to disposal options, such as thermal decomposition and biodegradation, that did not involve transboundary movements. It was further suggested that the question was more than one of waste management and that measures should be taken to avoid such problems in the future, including by placing a greater emphasis on integrated pest management and sustainable agriculture. Mention was made of the need to ensure that due account was taken of the health and safety aspects of disposal and that obsolete stocks of chemicals did not spill over into the environment as a result of the process.

26. The view was expressed that the forthcoming meeting on POPs, to be held in Manila, would provide an occasion for an in-depth discussion on the disposal of the stocks of chemicals which have been identified as POPs. However, it was also underlined that the problem of the disposal of stocks of outdated chemicals was much wider than the disposal of stocks of POPs.

27. The representative of GIFAP indicated that there were cases where companies had disposed of outdated stocks of their own pesticides at their own cost. Such a practice was reinforced by the responsible-care initiative. GIFAP members recognized their responsibilities and were prepared to participate in addressing the problem. There was, however, a need for more information on what was involved, and his organization looked forward with interest to the outcome of the FAO inventory.

28. The representative of ILO cautioned against the potential safety and health problems that faced waste-disposal workers. In that regard, he outlined his organization's mandate in protecting the health of the workers and the experience gained in this field as well as the measures which could be adopted in the field of workers's protection, pointing out the various ILO Conventions and publications on the subject.

29. There was general recognition that the lack of funding for disposal operations constituted a major impediment to the eradication of obsolete stocks of chemicals. Some representatives pointed out that, in many cases, such operations were not considered eligible for development assistance and that, where the original country of export was identified, funding possibilities became further restricted in that disposal was seen as the responsibility of that country. In response, other representatives suggested that, if developing countries declared the disposal of outdated stocks to be one of their priorities when preparing an indicative national programme, it might be possible to allocate a certain amount of existing development assistance for the purpose. The need for greater coordination among donors and international financial institutions was also expressed. It was pointed out, however, that even if the problem of funding was solved, the social problems involved in the siting of disposal facilities would not be.

Insufficient information for chemicals management decision-making and action

30. In the discussion on issues related to insufficient information, attention was drawn to the need to improve the availability and accessibility of information in the composition of mixtures. It was suggested that such information might be collected from producer countries. It was pointed out that it was often difficult to obtain information on emergency response measures to be taken in the event of an industrial accident. Access to data banks on all types of substances had to be improved and the information available should be updated more regularly. One expert recalled that the European Community's system of export notification was already providing importing countries with relevant information concerning the composition of mixtures. One expert, referring to the workshop on available information planned for the forthcoming session of IFCS, said that the information needs of countries should be compiled and sent to the organizers so that the workshop could be tailored to match users' requirements.

31. Reference was made to the need to put in place a system to monitor chemicals from production to final use and to the difficulties encountered in obtaining information on exports and imports of particular chemicals. In that regard, it was suggested that such data on trade could be more easily compiled through the use of specific customs codes.

32. In this context, it was also agreed that other mechanisms should be considered by the UNEP Governing Council in early 1997, within or beyond the scope of the PIC procedure, as for example the notification of control action, labelling, the export notification, customs codes for PIC chemicals and import decisions.

33. On the question of confidentiality of information, it was stated that, in accordance with the principles of responsible care and product stewardship, producers made a point of providing information to regulatory bodies when particular problems arose. International Council of Chemical Associations (ICCA) members provided data to countries in accordance with regulatory requirements that specified the data to be received and made appropriate provision for the protection of confidentiality. An effort was being made to develop the same working relationship with Governments of developing countries as that prevailing with those of developed countries. It was suggested that all countries should introduce legislation to protect the confidentiality of information and provide for strict sanctions in the event of breaches and that this issue should be considered by the next UNEP Governing Council. At the same time, it was noted that certain types of information could be not regarded as confidential, especially in view of the role to be played by the public in enforcing legislation on safety and health. In that connection, attention was drawn to OECD Council recommendation C(83)98 of 29 July 1983 concerning the OECD list of non-confidential data on chemicals and to the EC Council regulation No. 2455/92, which listed types of information not to be regarded as confidential.

34. It was suggested that there was a need to improve understanding of the level of toxic releases into the environment. Consideration should therefore be given to promoting PRTRs, which were a good tool for obtaining baseline information.

35. The importance of labelling and material safety data sheets (MSDSs), which were mandatory in the European Union, was also pointed out, and that this issue should be considered by the next UNEP Governing Council.

Possible need to ban and phase out certain chemicals

36. The view was expressed that, while some chemicals, such as ozone-depleting substances and persistent organic pollutants, caused global problems, some PIC chemicals were different in that they might cause problems under specific conditions of use in specific countries. The idea of bans or phase-outs ran counter to the PIC principle that each country was to make its own decision in the light of local conditions of use and local requirements. It was suggested that a ban was most often not the best solution, the real need being to assess the substances concerned to see how they could be used with least risk and whether substitutes existed. Reference was made to the problem of multiple-use chemicals, where only one particular use might be banned. In addition, since several chemicals were manufactured in more than one country, some of which might not be included in the PIC procedure and would not observe a national ban, there was a risk of trade being diverted and involving only the less-reputable manufacturers. Attention was also drawn to the need for measures to be consistent with the trade-related principles included in Agenda 21, in particular to be the least trade restrictive necessary to achieve the objective, although the contrary view - that restrictions in trade in hazardous substances should take precedence over the principles of free trade - was also expressed.

37. A few representatives expressed the opinion that the Expert Group did not have the authority to pursue proposals for banning or phasing out certain

chemicals. It was suggested that IFCS was the appropriate forum for the discussion of the need for such provisions. In addition, there was concern that pursuing the proposals could delay the work to establish a legally binding instrument for the application of the PIC procedure.

38. It was also observed that developing and developed countries had different perceptions with regard to bans and phase-outs of chemicals and pesticides, particularly concerning those required as part of the development process. Any assessment of whether to ban or phase out a chemical should involve comprehensive risk assessment, the availability of acceptable alternatives and needed to take full account of any socio-economic impacts on countries and caution needed to be exercised.

39. However, the view was also expressed that certain local problems, which could not be addressed by local action and which had a global dimension, justified the need for global action. It was already possible to address the problem, and the use of products containing substances with estrogenic effect was mentioned as an example of a local problem justifying global action. The use of parathion and endosulfan was also mentioned in the same context. It was emphasized that a local problem could easily develop into a global problem. Others made the point that the scientific advice as to estrogenic effects and the transboundary or global dimension involved was conflicting and certainly not authoritative. It was noted that endosulfan and parathion have important controlled agricultural uses in some countries. It was also noted that the meeting had not had the time to identify or sufficiently discuss specific problems not being already addressed elsewhere which would justify a global phase-out or ban of a particular chemical.

40. Nevertheless, it was considered that there should be a broad discussion of the need for an international legally binding framework on bans and phase-outs of a limited number of hazardous chemicals. Moreover, it was said, such consideration need not necessarily be linked with nor hamper the negotiation of the PIC convention. Indeed, the remit of the present group was to go beyond PIC. It was pointed out that, in considering which chemicals might be considered for bans or phase-outs, there was first a need to draw up criteria to assess global risks. It was also important to promote alternatives. Many chemicals had already been banned by many countries and, together with proposals tabled within the POPs negotiations, such information could provide guidance on how to proceed in identifying candidate chemicals. The hope was also expressed that, if it became a global issue, a window for chemicals management might be opened within the Global Environment Facility (GEF). A number of experts also suggested that a mechanism for technical and financial assistance, similar to the mechanism relating to ozone-depleting substances set up under the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol on Substances that Deplete the Ozone Layer, should be established.

41. As a conclusion it was widely agreed to recommend to the UNEP Governing Council to call upon the IFCS in order to identify chemicals which are not POPs but that, nevertheless, create risks of international concern.

IV. CONSIDERATION AND RECOMMENDATION OF WHAT FURTHER MEASURES ARE NEEDED TO REDUCE SUCH RISKS FROM A LIMITED NUMBER OF HAZARDOUS CHEMICALS

42. Following its discussion of agenda item 4, the Group of Experts decided to set up two drafting groups to consider specific issues and formulate recommendations on further measures, for submission to the Governing Council at its nineteenth session. Drafting Group 1, chaired by Mr. W. Scott (South Africa) and comprising the representatives of Costa Rica, India, Netherlands, United States and FAO, dealt with issues of capacity-building, inadequate information and unwanted stocks. Drafting Group 2, chaired by Mr. R. Arndt (Germany) and open-ended in nature, dealt with the issue of bans or phase-outs.

43. The Chairman of Drafting Group 1 reported back to the plenary on the results of the discussions in the group and introduced its draft recommendations on inadequate information (UNEP/PIC/EG/1/CRP.2), unwanted stocks of pesticides and other chemicals (UNEP/PIC/EG/1/CRP.4) and on capacity-building (UNEP/PIC/EG/1/CRP.5).

44. The Chairman of Drafting Group 2 reported back to the plenary on the results of the discussions of the open-ended drafting group concerning possible bans and phase-outs of a limited number of chemicals and introduced its report, contained in document UNEP/PIC/EG/1/CRP.3.

45. On the basis of the reports of the Drafting Groups, the Group of Experts adopted the recommendations contained in annex I to the present report.

46. When recommending the further definition of problems concerning unwanted stocks, the Group of Experts considered that the Governing Council might take into account the trade and aid assistance needs of developing countries and countries with economies in transition in order to prevent donations or transfers of obsolete and outdated stocks.

47. The Group of Experts also took note of a proposal by Belgium and the Netherlands (see UNEP/PIC/EG/CRP.1 and annex II to the present report), which received broad support, regarding the possible benefits of an integrated international legal mechanism concerning the management of hazardous chemicals and invited the Executive Director of UNEP, the FAO Director-General, and the President of IFCS to seek the views of Governments on this issue for consideration by the UNEP Governing Council at its nineteenth session, by the FAO Council, and by IFCS. The Group of Experts endorsed the view that consideration of such a measure should not impede progress on current or possible future negotiations to manage hazardous chemicals.

V. OTHER MATTERS

48. In answer to a question from the floor concerning the date and location of the second meeting of INC, the representative of UNEP said that the Bureau of INC and the joint UNEP/FAO secretariat would be meeting to decide on the matter.

49. Referring to the Group's recommendation to the Governing Council concerning information needs of importing countries and the assessment to be conducted by the UNEP secretariat of the costs, benefits and impacts of measures available, the representative of UNEP said that input would be required from Governments with regard to the costs of implementing the various activities involved in preparing the assessment.

VI. ADOPTION OF THE REPORT

50. It was decided that the report of the proceedings would be circulated to delegates for them to submit written comments and amendments. It was also decided that the Chairman, the Rapporteur and the secretariat would be entrusted with the task of incorporating such submissions into the final report and of putting the recommendations into the required format for presentation to the Governing Council.

VII. CLOSURE OF THE SESSION

51. After the customary exchange of courtesies, the Chairman declared the meeting closed at 4.30 p.m. on Friday, 19 April 1996.

Annex I

RECOMMENDATIONS OF THE GROUP OF EXPERTS

1. Unwanted stocks of pesticides and other chemicals

The Group of Experts,

Taking note of the ongoing work of the Food and Agriculture Organization of the United Nations (FAO) to promote the proper management of unwanted pesticide stocks,

Recognizing the capabilities of industry to assist in the safe management of obsolete and outdated stocks,

Taking note of the concerns raised on stocks of other chemicals, such as polychlorinated biphenyls (PCBs),

1. Recommends to the Governing Council of the United Nations Environment Programme (UNEP) that UNEP, in cooperation with FAO and in consultation with the secretariats of the Basel Convention, the World Health Organization, the International Labour Organization and other members of the Inter-Organization Programme for the Sound Management of Chemicals (IOMC), as appropriate, constitute an expert group on obsolete and outdated chemicals to provide advice to Governments on:

(a) The further definition of problems, in particular in developing countries and countries with economies in transition;

(b) The prevention, management, reuse or eventual safe disposal of obsolete and outdated pesticides and chemicals;

(c) The further development of guidance documentation for Governments on the prevention, management, reuse or safe disposal of obsolete and outdated pesticides and chemicals;

2. Recommends that the Governing Council call upon receiving countries to prioritize their needs and integrate them into their requests for existing funds provided by bilateral and multilateral donors;

3. Recommends that the Governing Council call upon donors, in close cooperation with FAO and UNEP and in consultation with industry and other non-governmental organizations, and through enhanced donor coordination, to mobilize financing for the safe management and disposal of obsolete and outdated pesticides and chemicals.

2. Capacity-building

The Group of Experts,

I

Acknowledging the ongoing work of the United Nations Institute for Training and Research (UNITAR) and the Intergovernmental Forum on Chemical Safety (IFCS) to develop national profiles on the existing infrastructure for chemicals management;

Recommends that the Governing Council of the United Nations Environment Programme (UNEP):

(a) Call upon IFCS to identify country needs for capacity-building for the sound management of chemicals and recommend providing a mechanism to encourage partnerships between recipients and donors of technical assistance to help coordinate these activities;

(b) Call upon member organizations of the Inter-Organization Programme for the Sound Management of Chemicals (IOMC), UNITAR and bilateral agencies to further strengthen the coordination of their capacity-building activities;

II

Recognizing the complexity of and the substantial resources required for chemical management,

Recommends to the Governing Council that countries cooperate regionally to harmonize their approaches to manage chemicals safely;

III

Recommends that the Governing Council:

(a) Recommend that donors, bilateral/regional/international cooperation and assistance organizations and recipient countries give a higher priority to programmes for the improvement of chemicals management, including programmes which could facilitate training, technical assistance and development of clean technology and safer alternatives to chemicals and chemical use, especially in developing countries and countries with economies in transition;

(b) Take into consideration the global significance of the health and environmental problems caused by chemicals, for example persistent organic pollutants, and the need to develop the capacity of developing countries and countries with economies in transition to manage chemicals safely;

(c) Take into account the special concerns of countries of transit for banned or severely restricted chemicals who may not yet have joined the PIC procedure, so that they could benefit by the application of such procedures to the extent possible;

(d) Request that the Council of the Global Environment Facility (GEF) takes also into consideration the global significance referred in subparagraph (b) above in order to investigate the relationship between the need of countries to develop chemicals-management capacity, in particular to address the global risks posed by local emissions and discharges of persistent organic pollutants, and the four existing "windows" of the GEF operational strategy, as well as other possible options;

(e) Support the action under way within the Organisation for Economic Cooperation and Development (OECD) and multilateral development banks to develop new or review existing guidelines to ensure that investments involving chemical manufacture or use are made in an environmentally sound manner and, in the case of the multilateral development banks, include in appropriate sectoral projects, the funding of the development of sound chemicals-management infrastructure;

IV

Recommends that the Governing Council invite Governments to develop and implement legislation on chemical safety, including occupational safety and health. In developing legislation, Governments should, as appropriate, take into consideration relevant activities undertaken by and through intergovernmental organizations*, including activities related to

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* For example, the United Nations Environment Programme (UNEP), the Food and Agricultural Organization of the United Nations (FAO), the International Labour Organization (ILO), the World Health Organization (WHO), the United Nations Industrial Development Organization (UNIDO), and the Organisation for Economic Cooperation and Development (OECD).

instruments such as conventions, codes, and guidance materials. In accordance with their respective mandates, United Nations Institute for Training and Research (UNITAR) and the member organizations of the Inter-Organization Programme for the Sound Management of Chemicals (IOMC) should assist in building the legislative capacities of Governments.

3. Inadequate information

The Group of Experts,

I

Taking note of the work of intergovernmental organizations, Governments, industry and non-governmental organizations to promote the exchange of information on chemicals as called for in chapter 19 of Agenda 21,

Taking note of the activities of the Inter-Organization Programme for the Sound Management of Chemicals (IOMC) coordinating group on information exchange,

Recommends that the Governing Council of the United Nations Environment Programme (UNEP):

(a) Direct UNEP, as Task Manager for programme area C of chapter 19 of Agenda 21, to report on behalf of IOMC to the Intergovernmental Forum on Chemical Safety (IFCS) at its next meeting, on the activities of the IOMC member organizations to promote information exchange on chemicals;

(b) Request IFCS to recommend to the IOMC member organizations on actions to improve delivery of information, taking into consideration the information needs of consumers, workers, general population, non-governmental organizations, Governments, and others concerned with chemical safety and appropriate provisions for protection of data confidentiality. The recommendations should take into consideration the comparative advantages of each IOMC member organization. The types of information under consideration should include, but not be limited to, chemical hazards, risks, exposure, use, properties, fate, information on production and trade worldwide and nationally, cleaner alternatives and alternative technologies, accident prevention and preparedness, emergency response, socio-economics, and disposal;

II

Taking note of the London Guidelines for the Exchange of Information on Chemicals in International Trade and the FAO International Code of Conduct on the Distribution and Use of Pesticides, particularly the existing PIC procedure and the ongoing negotiations to develop a legally binding instrument on PIC,

Recognizing the value of providing importing countries with appropriate information on banned or severely restricted chemicals,

Recommends that the Governing Council, without prejudice to the ongoing negotiations in the Intergovernmental Negotiating Committee, in order to address identified information needs of importing countries and on the basis of an assessment, conducted by the UNEP secretariat, of the costs, benefits and impacts of measures available, consider further elaboration of provisions, where appropriate, related to:

(a) Notification of control actions;

(b) Labelling of chemicals according to the London Guidelines and the FAO Code of Conduct;

(c) Specific Customs Code for PIC chemicals;

(d) Export notification; and

(e) Import decisions;

III

Recognizing the concerns voiced regarding chemical releases into the environment,

Taking note of the work of the Organisation for Economic Cooperation and Development (OECD), United Nations Institute for Training and Research (UNITAR) and IFCS to promote Pollutant Release and Transfer Registers (PRTRs), as called for in chapter 19 of Agenda 21,

Recommends that the Governing Council of the United Nations Environment Programme (UNEP):

(a) Acknowledge the need for information on toxic releases in the environment in order to identify priority problems, target risk management and measure results;

(b) Encourage countries to adopt Pollutant Release and Transfer Registers and/or other tools needed to generate such information and encourage IFCS to continue work in this area;

IV

Acknowledging the progress achieved within IOMC to develop a globally harmonized system for chemical hazard classification,

Recommends that the Governing Council of the United Nations Environment Programme (UNEP) invite IFCS to conclude policy-level discussions in order to reach agreement on the entire set of cutpoints that would make up the harmonized system at or before its 1998 Inter-sessional Group meeting.

4. Issues related to risk reduction from a limited number of hazardous chemicals, including possible bans or phase-outs

The Group of Experts,

Having considered various issues related to risk reduction from a limited number of hazardous chemicals, including possible bans or phase-outs,

1. Recommends for the consideration of the Governing Council of the United Nations Environment Programme (UNEP) the conclusions of its deliberations on those issues as contained in the annex to the present recommendation;

2. Also recommends, on the basis of those conclusions, that the Governing Council:

(a) Invite the Intergovernmental Forum on Chemical Safety (IFCS) to develop criteria to identify chemicals, if any, other than persistent organic pollutants or those subject to controls under other legally binding instruments, such as the Montreal Protocol on Substances that Deplete the Ozone Layer, which create risks of international concern as identified in paragraphs 6 and 11 of the annexed conclusions and, therefore, should be subject to possible concerted action in a manner similar to that being pursued for POPs;*

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* Australia considered that the Group of Experts had not identified and discussed specific risks that are not already addressed or capable of being addressed under existing processes, to the extent that would warrant this recommendation. Furthermore, Australia noted that discussion at the meeting of the development of criteria to identify chemicals that might be subject to possible concerted action had been focused on situations where local activities or emissions lead to regional or global exposure (see

(b) Call upon Governments and relevant international organizations (such as the World Customs Organization) to take action to encourage and facilitate the development of new customs codes and procedures which would support implementation of the PIC procedure and other chemical-risk-reduction measures;

(c) Call upon donors, bilateral/regional/international cooperation and assistance organizations and recipient countries to give a higher priority to programmes for the improvement of chemicals management, in particular with respect to the implementation of concerted efforts to ban or phase out a chemical.

Annex

CONCLUSIONS OF THE DELIBERATIONS OF THE GROUP OF EXPERTS ON ISSUES RELATED TO RISK REDUCTION FROM A LIMITED NUMBER OF HAZARDOUS CHEMICALS, INCLUDING POSSIBLE BANS OR PHASE-OUTS

1. A prerequisite for undertaking concerted (international) action to reduce the risks of specific chemicals is a clear "identification" of the problems associated with the chemicals, based on comprehensive risk assessments, as well as international acceptance of the scientific basis underlying the assessments. An assessment includes: hazard identification; exposure assessment; and an assessment of the critical activities or emissions associated with the chemicals which lead to significant risks.

2. There are a range of concerted (international) risk-management options which are available to help reduce significant risks from specific chemicals. These include both regulatory and non-regulatory measures and could range from, for example, improving access to information, through restricting uses or exposure, to banning or phasing out over time all uses or production of the chemical.

3. The choice of the risk-reduction measure or measures should be based on the specific situation at issue, after consideration of the advantages and disadvantages of different options and taking into account the precautionary principle, as expressed in principle 15 of the Rio Declaration on Environment and Development. The selection of the risk-reduction measure should be appropriate to the situation and should be the least restrictive, meaning that which effectively reduces the risk to an acceptable level, with due consideration to minimizing the overall socio-economic impact and which is consistent with the trade related principles identified in chapters 2 and 39 of Agenda 21.

4. The Group recognized the criteria established in chapter 19 of Agenda 21 for undertaking risk-reduction programmes. In order to facilitate discussions, the Group identified two categories of problems with an international dimension associated with chemicals:

(a) Local activities and/or local emissions which lead to regional or global exposures. In other words, an exposure or release of a chemical in one country unintentionally results in a significant health or environmental risk in other countries. An example is a persistent mobile chemical, such as a POP, which is transported through environmental media;

(b) Trade in chemicals which lead to local emissions and/or local exposures. In this case, chemicals (as such, or in preparations or products) are intentionally distributed internationally. The use, handling or disposal of these chemicals may lead to significant health and environmental risks within a number of different countries. An example is a pesticide in international trade which may pose risks to human health or the environment

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paragraph 8 of the report of Drafting Group 2 on issues related to possible ban or phase-out of chemicals (UNEP/PIC/EG/1/CRP.3)). The extension, late in the meeting, of this recommendation to situations involving only local risks was therefore inappropriate.

under conditions of use in different countries depending upon their ecosystems and economic status.

5. It should be recognized that there may be chemicals which pose problems that fall into both categories including, for example, pesticides which are also POPs.

6. With respect to category (a) above (i.e., chemicals for which local activities lead to international exposure and risk, which might include PIC chemicals), it was agreed that concerted regional or global action might be necessary to address the problems. Recognizing that the least restrictive, effective risk-reduction measure should be adopted (as described in paragraph 3 above), the possible measures could include international agreements to: control emissions; ban or phase out certain uses; or ban or phase out all uses or production.

7. Recognizing the POPs activities initiated by Governing Council decision 18/32, the Ad Hoc Working Group on POPs of the Intergovernmental Forum on Chemical Safety (IFCS) should be encouraged to propose a process for the development of science-based criteria to identify any POPs which should be subject to possible future concerted action, in addition to the 12 specified in decision 18/32.

8. With respect to category (b) (i.e., chemicals which are distributed internationally and which result in local problems), it was recognized that the problems generally need to be addressed through local action but that there may be a need for regional/international action to support the local activities.

9. The types of actions which might be appropriate to address the problems associated with chemicals resulting in local problems include, but are not limited to:

(a) Capacity-building (international action);

(b) Technical/financial assistance including, e.g. technology transfer (international action);

(c) Monitoring/enforcement of emissions/exposure control;

(d) Training of personnel by exporting industry (international action);

(e) Bans or phase-out of certain uses at national/local or regional level;

(f) Export notifications (international action); and

(g) Import ban/local production ban based on a PIC decision.

10. With respect to the latter point, it was recognized that there may be chemicals of concern which are not included in the PIC procedure or which may be a candidate for PIC but have not yet been the subject of a Decision Guidance Document. Therefore, there may be a need for an interim measure involving assistance to the importing country. If a chemical is identified as a candidate for inclusion in the PIC procedure, priority should be given to preparing a Decision Guidance Document for that chemical.

11. It was recognized that the PIC procedure was designed to address the problems associated with chemicals in category (b) and that the range of risk-reduction measures associated with the PIC procedure should result in effective action to reduce risks to acceptable levels. Therefore, concerted global action to ban or phase out all uses or production should not be necessary to address these problems. However, it was suggested that there may be a limited number of instances where category (b) would result in the type of international concern which requires concerted global action. These circumstances should be where patterns of problems across a number of countries indicate that such action would be warranted.

12. Whichever measure is chosen to reduce risks of chemicals, in either category (a) or category (b), it is critical that appropriate actions be taken to ensure implementation (including enforcement) and monitoring by both importing and exporting countries. This might involve concerted action. For example, efforts should be undertaken to develop and implement new customs codes or procedures to facilitate implementation (including enforcement) and monitoring of trade-related aspects of national and international control actions.

13. Global measures have only been used where a high priority problem of global concern has been identified and where agreement has been reached that collective action of a global nature is necessary to address the problem effectively.

14. Several experts suggested that bilateral/regional/international cooperation and assistance, as described in paragraph 2 (c) of recommendation 4 above, should take the form of a mechanism similar to that established under the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol on Substances that Deplete the Ozone Layer.

Annex II

DRAFT RECOMMENDATION SUBMITTED BY BELGIUM AND THE NETHERLANDS

The Group of Experts recommends that the Governing Council of the United Nations Environment Programme (UNEP), at its nineteenth session, when reviewing the Group's recommendations and giving consideration to the need to develop further measures within or beyond the PIC procedure, pursuant to paragraph 3 of Governing Council decision 18/12, and deciding on the appropriate international legal mechanism on persistent organic pollutants (POPs), pursuant to paragraph 2 of decision 18/32, give due consideration to the option of integrating the international legal mechanisms for the implementation of the PIC procedure, the measures with respect to POPs and any further measures resulting from the Governing Council's consideration of the report of the Expert Group.

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Governing Council of the United Nations Environment Programme

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Nairobi, 27 January - 7 February 1997
Item 6 of the provisional agenda*

PROGRAMME MATTERS

Final report of the Ad Hoc Working Group on Persistent Organic Pollutants of the Intergovernmental Forum on Chemical Safety

Note by the Executive Director

1. The Executive Director has the honour to circulate herewith for the information of the Governing Council the final report of the Ad Hoc Working Group on Persistent Organic Pollutants of the Intergovernmental Forum on Chemical Safety (IFCS).

2. The Ad Hoc Working Group was established by IFCS in response to an invitation contained in paragraph 1 of Governing Council decision 18/32 of 25 May 1996 and met in Manila on 21-22 June 1996.

3. The report of the Executive Director on the implementation of decision 18/32, which includes the recommendations of IFCS for international action on persistent organic pollutants, will be before the Council at its nineteenth session as document UNEP/GC.19/23.

* UNEP/GC.19/1.

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For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to meetings and not to request additional copies.

IFCS/WG.POPs/Report.1
1 July 1996

Intergovernmental Forum on Chemical Safety

Final Report of the IFCS Ad Hoc Working Group on Persistent Organic Pollutants

FINAL REPORT

21-22 June 1996

Manila, Philippines

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Decision 18/32 on Persistent Organic Pollutants adopted by the UNEP Governing Council at its May 1995 meeting invited the Inter-Organization Programme for the Sound Management of Chemicals, working with the International Programme on Chemical Safety, and the Intergovernmental Forum on Chemical Safety (IFCS) to initiate an assessment process on persistent organic pollutants, starting with a list of twelve substances. It further invited the IFCS to develop, based on the results of the assessment process and the outcome of the Washington Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, "recommendations and information on international action, including such information as would be needed for a possible decision regarding an appropriate international legal mechanism".

In response to the invitation in Decision 18/32, the IFCS established an ad hoc Working Group on POPs (Working Group). This report presents the outcome of the work of the IFCS Working Group that met in an open forum in which representatives from 32 countries, 7 non-governmental organizations and 7 intergovernmental organizations participated. Sections 1 to 3 of the report provide information on the background, mandate and work programme undertaken, section 4 presents the conclusions and recommendations of the IFCS Working Group, and section 5 contains specific recommendations of the IFCS to the UNEP Governing Council and the World Health Assembly.

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1. BACKGROUND

1. Persistent organic pollutants (POPs) are organic compounds of natural or anthropogenic origin that resist photolytic, chemical and biological degradation. They are characterised by low water solubility and high lipid solubility, resulting in bioaccumulation in fatty tissues of living organisms. POPs are semi-volatile and, therefore, able to move long distances in the atmosphere, and are also transported in the environment in low concentrations by movement of fresh and marine waters, resulting in wide-spread distribution across the earth, including regions where they have never been used. Thus, both humans and environmental organisms are exposed to POPs around the world, in many cases for extended periods of time.

2. Over the past several years, the risks posed by POPs have become of increasing concern to many countries, resulting in actions to protect human health and the environment being taken or proposed at the national level, the regional level (for example the UN ECE Convention on Long Range Transboundary Air Pollution (LRTAP), the North American Commission for Environmental Cooperation, the Arctic Environmental Protection Strategy, and the Barcelona Resolution on the Environment and Sustainable Development in the Mediterranean Basin) and, more recently, in international initiatives, such as the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities, and Decisions taken at the eighteenth session of the UNEP Governing Council (GC) (May 1995).

2. MANDATE:

3. At the May 1995 meeting of the UNEP GC, Decision 18/32 was adopted on POPs, inviting the Inter-Organization Programme for the Sound Management of Chemicals (IOMC), working with the International Programme on Chemical Safety (IPCS) and the Intergovernmental Forum on Chemical Safety (IFCS), with the assistance of an *ad hoc* working group, to initiate an expeditious assessment process, initially beginning with a short-list of twelve POPs[1] *(i.e.*, PCBs, dioxins, furans, aldrin, dieldrin, DDT, endrin, chlordane, hexachlorobenzene, mirex, toxaphene and heptachlor).

Except as otherwise noted, the use of the term POPs in this report is to be interpreted as the initial list specified in the UNEP GC Decision 18/32

4. As specified in the following text taken from Decision 18/32, this process should, taking into account the circumstances of developing countries and countries with economies in transition:

"*a) consolidate existing information available from IPCS, UN ECE and other relevant sources, on the chemistry and toxicology of the substances concerned (particularly the impact on human, plant and animal health);*

b) analyze the relevant transport pathways and the origin, transport and deposition of these substances on a global scale;

c) examine the sources, benefits, risks and other considerations relevant to production and use;

d) evaluate the availability, including costs and effectiveness, of preferable substitutes, where applicable; and

e) assess realistic response strategies, policies and mechanisms for reducing and/or eliminating emissions, discharges and losses of POPs."

5. Based on the results of this process, together with the outcome of the UNEP Intergovernmental Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (Washington, D.C., 23 October - 3 November 1995), the IFCS is invited to develop recommendations and information on international action, including any information that would be needed for a possible decision on an appropriate international legal mechanism on POPs, to be considered at the 1997 sessions of the UNEP GC (January) and the World Health Assembly (WHA, May).

6. At the UNEP meeting in Washington (23 Oct. - 3 Nov. 1995), countries adopted a Global Programme of Action for the Protection of the Marine Environment which, in part, recognized the importance of controlling releases of POPs, specified actions that should be taken on POPs, and encouraged countries to participate actively in implementing Decision 18/32. The following paragraph from the *Washington Declaration on Protection of the Marine Environment from Land-based Activities* (2 November 1995) should, therefore, be taken into consideration in implementing Decision 18/32.

"17. Acting to develop, in accordance with the provisions of the Global Programme of Action, a global, legally binding instrument for the reduction and/or elimination of emissions, discharges and, where appropriate, the elimination of the manufacture and use of the persistent organic pollutants identified in decision 18/32 of the Governing Council of the United Nations Environment Programme. The nature of the obligations undertaken must be developed recognizing the special circumstances of countries in need of assistance. Particular attention should be devoted to the potential need for the continued use of certain persistent organic pollutants to safeguard human health, sustain food production and to alleviate poverty in the absence of alternatives and the difficulty of acquiring substitutes and transferring of technology for the development and/or production of those substitutes;"

7. In accordance with the Global Programme of Action, the Fourth Session of the Commission on Sustainable Development (18 April-3 May, 1996, New York) recognised the intention of the governments to take action to develop a global legally binding instrument on POPs.

3. WORK PROGRAMME TO IMPLEMENT UNEP GC DECISION 18/32:

8. In response to Decision 18/32, a meeting to establish an IOMC *ad hoc* working group (Working Group) was convened by UNEP on behalf of the IOMC on 28 October 1995 (Washington, D.C.). The meeting agreed on terms of reference for the Working Group, discussed the work programme that would be necessary to implement Decision 18/32, and proposed that the Working Group include representatives of the six IOMC organizations, UN ECE, four countries from each of the 5 UN regions (providing a global mix of countries producing, exporting, importing, using and/or receiving POPs), four industry associations, four public interest groups, and a Chair (Canada). Any additional participants were welcome as observers, and regional networking was encouraged to ensure the input of a broad representation of views.

9. Following its formation on 28 October 1995, the Working Group:

(a) developed a work plan and identified resource needs to implement the requirements of Decision 18/32;

(b) took note of the outcome of the UNEP Intergovernmental Conference to Adopt a Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (Washington, D.C., 23 October - 3 November 1995);

(c) secured agreement on the proposed work plan at the second meeting of the Inter-Sessional Group of the IFCS (ISG-2, Canberra, Australia, 5-8 March 1996);

(d) submitted for consideration at ISG-2, a report developed by a consultant to the IPCS (ISG/96.5B[2]) that summarized the available scientific information on the chemistry, toxicology, transport pathways, origin, transport and deposition of the 12 specified POPs on a global scale, in addition to some information on the socio-economic issues associated with the production, use and preferable substitutes for POPs;

(e) was adopted as an IFCS *ad hoc* Working Group on POPs (Working Group) by the ISG-2 to continue the assessment process and develop recommendations and information on international action, including any information that would be needed for a possible decision on an appropriate international legal mechanism on POPs;

(f) met as the IFCS Working Group in Canberra (9 March 1996) to make practical arrangements to implement the work plan accepted by ISG-2;

(g) coordinated an IFCS experts meeting in Manila (17-19 June 1996), co-hosted by the Republic of the Philippines and Canada, to address tasks[3] c) and d) of UNEP GC 18/32 as well as socio-economic issues associated with production and use of POPs and with preferable substitute products and technologies;

(h) met, in an open forum, in Manila (21-22 June 1996) to review the results of the experts meeting, to assess realistic response strategies, policies and mechanisms for reducing and/or eliminating emissions, discharges and losses of POPs, and to develop a report containing information and recommendations

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Persistent Organic Pollutants, An Assessment Report on : DDT, Aldrin, Dieldrin, Endrin, Chlordane, Heptachlor, Hexachlorobenzene, Mirex, Toxaphene, Polychlorinated biphenyls Dioxins and Furans, December 1995, ISG/96.5B

see para 4 above

on international action, to be considered at the 1997 sessions of the UNEP GC (January) and the World Health Assembly (WHA, May);

(i) distributed the report of the Working Group to all IFCS contact points for comments with a request for response by 31 July 1996;

(j) submitted the report to UNEP and WHA, together with a summary of the comments provided by IFCS participants; and

(k) will have completed its work following consideration of the POPs issue at the 1997 sessions of UNEP GC and WHA.

10. The Working Group was supported in its efforts by UNEP and the IFCS Secretariat. Additionally, UNEP established an information clearing house on POPs including an "open file" in the form of an electronic POPs data base on the INTERNET in response to conclusions at ISG-2 that there was a requirement for improved access to existing and future information on issues that were being addressed by the Working Group.

11. In the assessment process required by Decision 18/32, the Working Group took into account related initiatives including:

(a) UNEP GC Decision 18/12, which concerns the development of a legally binding instrument for the application of the Prior Informed Consent (PIC) procedure for certain hazardous chemicals in international trade, taking into account the activities undertaken in accordance with Decision 18/32 and recognizing that some of the POPs specified in Decision 18/32 are covered by the present voluntary PIC procedures;

(b) UNEP GC Decision 18/31 which encouraged support for the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities[4] (wherein specific reference was made to POPs) that was subsequently accepted at the UNEP Intergovernmental Conference, as reflected in the *Washington Declaration on Protection of the Marine Environment from Land-based Activities*[5], and that will involve countries in

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UNEP(OCA)/LBA/IG.2/7, 5 December 1995

UNEP (OCA)/LBA/IG.2/6, Annex II

implementing national, regional and international activities to implement the Programme;

(c) the negotiations on a possible POPs protocol under the UN ECE Convention on LRTAP, initiated in 1996, as approved by the Executive Body at its meeting of 28 November to 1 December 1995; and

(d) the regional seas agreements, including conventions and protocols.

12. During the 21-22 June 1996 meeting of the Working Group, some participants met to consider the issue of an integrated mechanism or structure covering the various international instruments on chemical safety with the aim of ensuring coherence and avoiding duplicated effort. This group noted the issue needs further consideration.

4. CONCLUSIONS AND RECOMMENDATIONS OF THE IFCS *ad hoc* WORKING GROUP ON POPs

13. Based on the documentation and the discussions that took place during the meetings of the UNEP sponsored IOMC *ad hoc* Working Group on POPs (28 October 1995), the ISG-2 (5-8 March 1996), the IFCS *ad hoc* Working Group on POPs (9 March and 21-22 June 1996), and the IFCS Manila experts meeting (17-19 June 1996), the following conclusions and recommendations are provided to the UNEP Governing Council and the World Health Assembly by the IFCS *ad hoc* Working Group on POPs on behalf of the IFCS.

4.1 General:

14. The **IFCS concluded** that available information on tasks a) to d) of UNEP GC Decision 18/32 is sufficient to demonstrate the need for international action on the 12 specified POPs and to move forward on realistic response strategies.

15. **IFCS concluded** that international action, including a global legally binding instrument, is required to reduce the risks to human health and the environment arising from the release[6] of the 12 specified POPs.

16. **IFCS concluded** that action programs must take into account that the 12 specified POPs include pesticides, industrial chemicals, and unintentionally produced by-products and contaminants, and that, in the framework of overarching objectives to be negotiated by an intergovernmental negotiating committee (INC), different approaches are needed for each category of POPs.

17. **IFCS concluded** that a process will be required to develop science-based criteria and a procedure for identifying POPs in addition to the 12 specified in Decision 18/32 as candidates for future international action and **recommended** that an expert group be established to carry out this work. The process should incorporate criteria pertaining to persistence, bioaccumulation, toxicity and exposure in different regions, and should take into account dispersion mechanisms for the atmosphere and the hydrosphere, migratory species and the need to reflect possible influences of marine transport and tropical climates.

18. **IFCS recommends** that the expert group include scientific and socio-economic expertise relevant to the POPs issue and be representative of countries in different stages of development and from different geographical regions, as well as participants from relevant nongovernmental and intergovernmental organizations. The expert group should consider the criteria and procedure being considered by the UN-ECE and should also take full account of varied ecosystems and the circumstances of developing countries and countries with economies in transition, as well as the need to conserve biodiversity and protect endangered species. The principles set out in the Rio Declaration, especially Principle 15 which includes a reference to the precautionary approach, and the provisions of Chapter 19 of Agenda 21 should also be taken into account.

19. **IFCS concluded** that coordination among different regional and international initiatives on POPs is essential to ensure harmonized environmental and health outcomes from mutually supportive and effective programs that result in the development of policies with complementary, and non-conflicting, objectives.

The term "release" is used throughout to encompass emissions, discharges and losses of POPs consistent with the language of UNEP Governing Council Decision 18/32.

20. **IFCS recognized** the work already underway within the UN-ECE to develop a regional protocol on POPs and **concluded** that the elements under development for this protocol should be given due consideration in the development of a global legally binding instrument. To facilitate coordination with POPs work under the UN ECE, interested non-ECE countries are encouraged to consider participation in relevant meetings on the development of the UN-ECE protocol on POPs.

21. The **IFCS recognized** the need to provide for comprehensive reporting of additional peer reviewed scientific information and that there are information gaps in the areas of production, use and alternatives[7]. **IFCS concluded** that measures are needed for the development and sharing of information on the 12 specified POPs including:

(a) comprehensive reporting and information exchange, within and between countries and intergovernmental organizations, for:

(i) peer reviewed scientific information on the chemistry, toxicology, transport pathways, origin, transport and deposition of the 12 specified POPs on a global scale, in order to provide current baseline and future trend data for commercial activity, release rates, and levels in environmental and biological media, and to ensure that response strategies are realistic and appropriate, and to provide a basis for assessing progress;

(ii) information on the sources, benefits, risks and other considerations relevant to production, use, and release of the 12 specified POPs; and

(iii) information on evaluation of the availability, costs, risks and effectiveness of preferable alternatives for the 12 specified POPs, where applicable;

(b) improved access to national information on POPs, as well as improved access to information by all countries, especially developing nations; and

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"alternatives" refers to both chemical and non-chemical alternatives, and includes substitute products, alternative technologies and other approaches.

(c) improved access to existing and future information on POPs issues by maintaining the UNEP clearing house for information on POPs, including the electronic data base on the INTERNET;

and further **recommended** that UNEP initiate action on these measures, in collaboration with other international and regional organizations to avoid duplication.

22. **IFCS noted** that regional and sub-regional networking could play an important role in assisting developing countries to address various issues on POPs.

23. **IFCS concluded** that participation of developing countries in responding to international action on POPs is essential. The appropriate international and regional mechanisms should be developed or better used in order to assist in meeting their needs, including:

(a) training trainers and training workers;

(b) information exchange;

(c) institutional infrastructure; strengthening legislation and enforcement capabilities, and development of adequate domestic regulation and standards to control and eliminate adverse health and environmental impacts of POPs pesticides;

(d) strengthening of regional and sub-regional co-operation;

(e) disposal capability;

(f) research facilities;

(g) capacity building;

(h) public awareness of alternatives and alternative technologies; and

(i) public awareness of hazards of POPs.

Technical assistance, capacity building and funding to address these needs were determined to be of practical consideration. All developing countries and some other countries recommended making direct reference to "shared

responsibilities" among countries, industry and appropriate international organizations. Other countries supported referencing the relevant principles of the Rio Declaration on Environment and Development and related Chapters of Agenda 21[8].

24. With respect to assistance to developing countries and countries with economies in transition, **IFCS:**

(a) **recommended** that bilateral and multilateral technical and financial assistance organizations give high priority to programmes to address POPs;

(b) **invited** the Council of the Global Environment Facility (GEF) to take into consideration the global significance of POPs in order to investigate the relationship between the need to develop capacity to address POPs and the four existing windows of the GEF operation strategy; and

(c) **supported** the action under way within the OECD and multilateral development banks to develop new or revise existing guidelines to ensure that investments involving any remaining manufacture, use, management and disposal of POPs are made in an manner that would discourage activities that result in increased releases of POPs and encourage the incorporation of pollution prevention approaches that avoid or limit POPs discharges in the projects they finance.

25. The **participants invited the IFCS** to assist in the identification of country capacity building needs, in cooperation with the IOMC and United Nations Institute on Training and Research, and to help identify possible sources of assistance and to facilitate partnerships between recipients and donors of available technical and financial assistance to address these needs.

4.2 Production, Use and Sources of POPs:

26. **IFCS concluded** that adequate information on sources and uses of POPs is essential to enable appropriate actions and responses to be undertaken that

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Final text of agreements negotiated by Governments at the United Nations Conference on Environment and Development (UNCED), 3-14 June 1992, Rio de Janeiro, Brazil.

would lead to productive and meaningful environmental and health actions/outcomes.

27. **IFCS concluded** that, based on available information:

(a) aldrin, dieldrin, endrin, and toxaphene are no longer produced, mirex and HCB[9] appear to be out of production, and no efforts are warranted to gain more production and use information;

(b) DDT is still produced for disease vector control, although it is misused for other purposes;

(c) chlordane and heptachlor are still produced for ant and termite control; and

(d) PCBs and HCB are not currently manufactured but are produced as unintended by-products.

28. **IFCS concluded** that more accurate information on the production and use of the pesticide POPs, especially those still in production, as well as baseline levels of environmental and biological media, should be obtained to understand better the magnitude of the problem, to establish a baseline with which to measure future progress, and to ensure selected response measures are appropriate. The collection of data should not delay action on the specified list of POPs.

29. **IFCS recommended** that UNEP, in concert with other relevant intergovernmental organisations, establish practical measures to evaluate and monitor the success of any implemented strategies where appropriate, including:

(a) baseline and trend data on the production, use and release of the 12 specified POPs; and

(b) monitoring networks to establish baseline and trend levels of the 12 specified POPs in environmental and biological media in all regions.

30. **IFCS concluded** that there are no stocks of dioxins/furans, but there are materials which may contain dioxins/furans as micro-contaminants. Other

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HCB is both a pesticide (fungicide) and an industrial chemical.

chlorine- and bromine-containing compounds may be a potential source of dioxin/furan release to the environment through their improper combustion and/or disposal. Soils and sediments in certain highly contaminated sites may also be significant sources.

4.3 Alternatives to pesticides and other POPs

31. **IFCS concluded** that there are alternatives (potentially including indigenous methods) for all the pesticide POPs, although at present the applicability of these alternatives for some uses may be limited in some parts of the world or in some situations.

32. **IFCS recommended** that the availability of information and expertise on alternatives to POPs should be improved through information exchange and education programmes, including: the further development of the UNEP information clearinghouse on POPs and alternatives, strengthened regional networks concerning POPs and alternatives, production of case studies on alternatives, and use of the global information network on chemicals (GINC) to enable governments to make their own decisions on replacing POPs with alternatives.

33. **IFCS recommended** that guidance on the selection of replacements for POPs pesticides should be developed; the guidance should cover non-chemical as well as chemical alternatives and include advice on the factors to be considered in choosing alternatives and sources of information. A proposed alternative should be considered inappropriate by national or regional governments if national or regional conditions make it unlikely that the alternative can be managed in ways that avoid significant injury to workers, local communities or the environment.

34. **IFCS concluded** that efforts should be taken to reduce the reliance on DDT for vector control and efforts should be directed toward making viable alternatives readily available, including indigenous medicinal plants, in order to phase out the use of DDT. However, DDT should only be used in the context of a fully integrated approach for vector control (*e.g.*, incorporating sanitation, public health programs, environmental management, etc.) and in accordance with related WHO Guidelines.

35. **IFCS observed** that, where applicable, it would be best to shift to approaches that reduce reliance on chemical pesticides, consistent with the principles of

Agenda 21. It was noted that many countries may not have sufficient financial and other resources to gain access to and develop alternative solutions. Assistance should be provided to developing countries that have embarked on research on viable alternatives.

36. **IFCS concluded** that the Swedish reports on alternatives to POPs (IFCS/EXP.POPs.4.CMPL, IFCS/EXP.POPs.5) and the report of the IFCS Experts Meeting on POPs (IFCS/EXP.POPs/Report.1), together with the information from the UNEP clearing house, could serve as resource documents for identifying some possible alternatives to the specified POPs.

4.4 Polychlorinated Biphenyls (PCBs)

37. **IFCS concluded** that the major sources of waste PCBs originate from electrical equipment requiring dielectric fluids, with a number of lesser sources including hydraulic fluids and sealants. The substitutes for PCBs are well known and readily available.

38. **IFCS recommended** that national, regional or international action be taken in order to ensure environmentally sound handling and disposal of PCBs. This action should include:

(a) identification of where PCBs are found;

(b) inventories of PCBs in use, stockpiles of PCBs, as well as PCB-containing waste; and

(c) an inventory of available destruction capacity for PCBs world-wide in order to get a better understanding of regional availability and the need, if any, for increasing the capacity in the coming years.

39. **IFCS recommended** that appropriate international organizations, in particular members of the IOMC in close consultation with the IFCS and national governments, develop a check list or simple guidelines on how to identify PCB-containing materials that would be useful for countries who have not yet made such an identification, especially developing countries or countries with economies in transition. **IFCS noted** that the setting up of such a check list or guidelines should not in any way hinder or delay the dissemination of information or ongoing national inventories.

4.5 Unintentionally Produced By-products and Contaminants:

40. **IFCS concluded** that the appropriate issues relative to global management of dioxins/furans are:

(a) ensuring the application of appropriate techniques and/or materials policies that minimize and/or eliminate releases of dioxins/furans;

(b) the benefits provided by the material compared to the availability and practicality (particularly in developing countries) of alternative materials and manufacturing processes; and

(c) safe disposal facilities and appropriate waste management facilities.

41. **IFCS concluded** that knowledge on the general characteristics of releases of dioxins/furans on a world-wide scale would be useful in negotiating and implementing a global instrument on POPs to focus realistic actions to reduce and/or eliminate releases of these substances and to evaluate the effectiveness in the future of those actions.

42. With regard to those listed POPs that are generated as unwanted by-products, **IFCS concluded** that there is less knowledge and/or agreement on the full extent to which release reduction and/or source elimination can be achieved by currently available means in ways that are feasible and practical and can achieve a realistic and meaningful level of release reduction and/or source elimination. There may be substantial differences between developed countries, developing countries and countries with economies in transition regarding means that are available, feasible and practical.

43. **IFCS concluded** that present generation best technology waste incineration facilities are expensive to construct, sophisticated to operate and their widespread deployment in many developing countries is unlikely in the near future. Other options including transport to existing facilities and/or use of other proven disposal methodologies and/or materials policies should be further explored. If transboundary movement is involved, this approach will require consideration of existing instruments and their adequacy as well as mobile destruction facilities.

44. **IFCS recommended** that countries identify national sources of dioxin/furan releases, using as guidance the sources already identified by developed countries.

45. **IFCS recommended** that cooperative programs (particularly of a regional nature) on aspects of dioxin/furan management be undertaken between developed and developing countries and countries with economies in transition, in coordination with activities of the IOMC organizations.

4.6 Other Proposed Actions

46. For the listed POP pesticides and industrial chemicals that are or have been intentionally produced[10], **IFCS concluded** that, other than for the small number of remaining recognized uses, these POPs pose unreasonable and otherwise unmanageable risks to human health and the environment such that **IFCS recommended**:

(a) for the listed POP pesticides, measures should be taken to rapidly phase out remaining production and subsequent remaining use as alternatives are made available for the small number of remaining recognised uses; and

(b) for the listed POP industrial chemicals there is a need to phase out, over time, PCBs and HCB on a global scale and, in the transition to complete elimination of use, there is a need for managing remaining use, storage and disposal.

47. **IFCS recommended** that, for POPs[10] that are generated as unwanted by-products, currently available measures that can achieve a realistic and meaningful level of release reduction and/or source elimination should be pursued expeditiously, and this should be done by actions that are feasible and practical and additional measures should be explored and implemented.

48. **IFCS recommended** that realistic action be taken to destroy obsolete stocks of the listed POPs[10] and remediate environmental reservoirs. Manufacturers and exporting and importing countries should work together to solve the problem on a priority basis, taking into account the following considerations:

These conclusions and recommendations are without prejudice to the treatment of any additional POPs that might later be identified.

(a) destruction technologies are available that may be appropriate and practical in some cases;

(b) in many regions, particularly in the developing countries, society still lacks appropriate and adequate destruction facilities and the costs associated with providing them may be greater than what the region can afford without technical and other assistance;

(c) in many cases, full remediation of environmental reservoirs may not be technically or economically feasible or practical; and

(d) better information on the amount of obsolete stocks is required.

49. **IFCS concluded** that there is need to develop new cost-effective small-scale technologies for destruction and remediation of wastes associated with obsolete chemical stocks of POPs. Where no immediate permanent solutions are available, urgent action needs to be taken to ensure that these stocks are not available for use and that they are stored in a manner that prevents immediate risks to public health and the environment.

5. IFCS RECOMMENDATIONS TO UNEP GC AND WHA:

50. Based on the information assessed in implementing UNEP GC Decision 18/32, and the conclusions and recommendations included in this report, the Intergovernmental Forum on Chemical Safety (IFCS) recommends to the UNEP Governing Council (GC) and the World Health Assembly (WHA) that:

51. UNEP GC and WHA **decide** that immediate international action should be initiated to protect human health and the environment through measures which will reduce and/or eliminate (as further elaborated in paragraphs 46, 47, 48) the emissions and discharges of the 12 POPs specified in UNEP GC Decision 18/32 and, where appropriate, eliminate production and subsequently the remaining use of those POPs that are intentionally produced.

52. UNEP GC and WHA **recognize** that in order to protect human health and the environment, such international action should include:

(a) use of separate differentiated approaches to take action on pesticides, industrial chemicals, and unintentionally produced by-products and contaminants;

(b) use of transition periods, with phased implementation for various proposed actions;

(c) careful and efficient management of existing stocks of the specified POPs and, where necessary and feasible, their elimination;

(d) training in enforcement and monitoring of use to discourage the misuse of POPs pesticides; and

(e) remediation of contaminated sites and environmental reservoirs, where feasible and practicable.

53. UNEP GC and WHA **recognize** that international action should incorporate such practical measures as:

(a) the expeditious development of a global, legally binding instrument. The instrument should be developed in such a manner as to recognize ongoing activities on POPs and other related issues and institutions, as well as differing regional and national conditions and taking into account the special concerns of developing countries and countries with economies in transition. In addition, provision should be made for commitments at a national and regional level allowing for a higher level of protection than that afforded through the global instrument.

(b) voluntary measures, which may be implemented as a complement to, or independently of, a legally binding instrument;

(c) action at the national, regional and global levels, reflecting possible needs for different regional and sub-regional approaches and the need to find, at the national level, the most effective and appropriate mix of policy instruments and measures to implement agreed international commitments;

(d) consideration of unique customs codes for POPs chemicals, and labelling in compliance with guidelines under the FAO Code of Conduct;

(e) coordination among different regional and international initiatives on POPs to ensure harmonized environmental and health outcomes from mutually supportive and effective programs that result in the development of policies with complementary, and non-conflicting, objectives and that avoid overlap and duplication with other international and regional conventions and programmes; and

(f) input of scientific, technical and economic expertise and consideration of the ability of existing institutions and organisations to provide this input.

54. UNEP GC and WHA **note** that socio-economic factors should be addressed in developing and implementing international action including the following:

(a) possible impacts on food production;

(b) possible impacts on human health (e.g. for vector control agents);

(c) need for capacity building in countries and regions;

(d) financing concerns and opportunities; and

(e) possible trade impacts.

55. UNEP GC **invite** UNEP to prepare for and convene, together with other relevant international organisations, an intergovernmental negotiating committee (INC), with a mandate to prepare an international legally binding instrument for implementing international action initially beginning with the 12 specified POPs. Participation in the INC should be open to governments and relevant intergovernmental and non-governmental organizations consistent with UN applicable rules.

56. UNEP GC and WHA **note** the need to develop science-based criteria and a procedure for identifying additional POPs as candidates for future international action and **recommend** that the proposed INC be directed to establish, at its first meeting, an expert group to carry out this work. The group should work expeditiously, proceeding concurrently with the INC process, in order to develop criteria for consideration by the INC in the negotiation of a legally binding instrument. The process should incorporate criteria pertaining to persistence, bioaccumulation, toxicity and exposure in different regions, and should take into account dispersion mechanisms for the atmosphere and the

hydrosphere, migratory species and the need to reflect possible influences of marine transport and tropical climates.

57. UNEP GC **recommend** that the INC, in undertaking its work, take into account the conclusions and recommendations of the IFCS *ad hoc* Working Group on POPs.

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PROGRAMME MATTERS

Mid-term review and status of implementation of the programme of work for the biennium 1996-1997

Report of the Executive Director

Summary

Through its decisions 18/40, 18/41 B and 18/42, the Governing Council at its eighteenth session approved an overall budget for the Enmvironment Fund of $136,964,000 for the 1996-1997 biennium, comprised of $90 million (with a supplementary budget of another $15 million if resources permitted) for Fund programme activities, $5 million for the Fund programme reserve and $41,964,000 for management and administrative support costs (MASC). However, the available resources of the Environment Fund for the biennium have fallen far short of expectations by $40 million as a result of a general drop in Government contributions to United Nations organizations, the low cash carry-over from 1995 to 1996 and less favourable exchange rates. UNEP will be unable to implement the programme of work at the level approved in decision 18/40.

This document describes what UNEP has accomplished in this biennium to date and presents elements for addressing the financial crisis facing the organization. The purpose of this mid-term review is threefold: (a) to review the financial situation; (b) to consider options for addressing it; and (c) to revise programme of work for 1996-1997. The document lays out what UNEP has been able to accomplish under difficult circumstances in 1996 and formulates proposals for action by the Governing Council for the work which it should carry out in 1997. The very grim reality for the organization is that it will have to drastically reduce the delivery of its programme for the biennium by as much as 30.5 per cent, depending on which option in section IV is decided upon.

Consultations with Governments were held on a draft of the mid-term review, particularly through the Committee of Permanent Representatives to UNEP, in meetings held in October and November 1996 in Nairobi and Geneva. Based on these consultations, option B was developed as the most realistic basis for the revised programme of work 1996-1997, as proposed in the Governing Council composite budget document entitled "The Environment Fund budgets: revised proposals for 1996-1997 and proposals for 1998-1999" (UNEP/GC.19/22).

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* UNEP/GC.19/1.

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I. THE FINANCIAL SITUATION

1. Agenda 21 reinforced the role of UNEP, and it was expected that resources would be made available to UNEP to discharge its reviewed mandate. Regrettably, the resources have not been forthcoming and consequently the ability of the secretariat to successfully deliver its approved programme has been seriously hampered.

2. The financial situation of UNEP has been severely affected by three developments: (a) a sharp drop in contributions of Governments to United Nations organizations; (b) a low cash-flow; and (c) restrictions in the use of the United Nations regular budget.

3. However, it should be noted that even if no drop in Government contributions had been experienced, resources would have still fallen short of the approved overall programme and management and administrative support costs (MASC) budget of $136.96 million by approximately $15 million. Although estimated available resources for the 1996-1997 biennium were projected at $142.69 million in June 1995, two developments changed this. First, the cash carry-over from the 1994-1995 biennium to 1996 was estimated at $25.53 million in mid-1995, $19.93 million higher than was finally established when the books for the biennium 1994-1995 were closed on 31 March 1996. Second, the unpredictable strength of the United States dollar resulted in less favourable exchange rates for contributions made in other convertible currencies.

A. Drop in contributions of Governments

4. A combined reduction in the contributions of some of UNEP's principal donors has led to a fall in total contributions to the Environment Fund by over $26 million for the biennium.

5. In response to this decline in contributions and as part of the efforts undertaken pursuant to decision 18/41 A, paragraph 6, the Executive Director has held a series of bilateral and regional consultations with Governments to explain the impact of the worsening financial constraints on the implementation of the approved 1996-1997 programme of work. Furthermore, the Executive Director has written to most Governments to communicate the specific effects on activities relevant to individual countries and also to point out where outstanding contributions are yet to be received.

6. Nevertheless, the decline in the level of contributions has not yet been reversed. In accordance with decision 18/41 A, paragraph 9, the causes of this trend have been analysed and can be seen to reflect and combine several dynamics: a proliferation of demands on Governmental budgetary allocations for environmental activities as the number of convention secretariats and trust funds expands, a general decline in the level of country contributions to the United Nations and a period of period of budgetary cutbacks within Governments for a variety of reasons.

7. As at 30 September 1996, total available Environment Fund resources for the 1996-1997 biennium were estimated at $97.23 million (see table 1 on page 15 below). Subtracting from this figure th $5 million of the Fund programme reserve approved by the Governing Council in its decision 18/41 B, only $92.23

million are available, representing a shortfall of $39.73 million of the overall budget of $131.96 approved by the Governing Council for Fund programme activities and MASC.

8. As a result, UNEP is faced with reducing the implementation of its Fund programme Activities by as much as 30.5 per cent.

B. Low cash-flow

9. UNEP is also facing a very serious cash-flow crisis for two principal reasons:

(a) Governing Council decisions 17/32 and 18/41 A called for UNEP to avoid unnecessary carry-over of funds from biennium to biennium. In complying with these decisions, UNEP achieved a 96.3 per cent total expenditure in respect of the amounts allocated for Fund programme activities, Fund programme reserve and programme and programme support costs (PPSC) for the biennium 1994-1995. Consequently, the cash carry over from that biennium to 1996 was only $5.6 million, the equivalent of 1.4 months of the organization's operational expenditures (see table 1 below);

(b) Contributions from Governments during the first half of 1996 were not received in a timely manner, thus further exacerbating the volatility of the Environment Fund. Of the total amount of pledged and estimated Government contributions to the Environment Fund of $47.6 million for 1996, the payments totalling $9.98 million was still outstanding as at 30 September 1996.

10. The historically low level of available cash resources has impacted negatively on the capacity of the organization to implement the 1996-1997 programme of work. Moreover, unlike in the past, the low level of cash resources does not allow UNEP to provide cash advances to Convention Secretariats on a reimbursable basis pending receipt of contributions to the trust funds concerned. This can adversely affect the implementation of the work programmes of global and regional conventions serviced by UNEP.

11. If the current trend continues, the situation will be compounded in the future. It is estimated that the cash carry-over to the 1998-1999 biennium will be zero. The current financial reserve of $6.5 million is inadequate to ensure that the organization will have the necessary liquidity to function without interruptions in operations.

12. In its decision 18/41 B, the Governing Council also authorized the Executive Director to increase gradually the financial reserve from $6.5 million to $20 million by 1999. However, given the present financial situation, this has not been possible. If in fact the financial reserve was at $20 million, UNEP would not be experiencing cash-flow difficulties that may lead to interruptions in operations in the event that Government contributions are not paid in a timely manner.

C. Restrictions in the use of the United Nations regular budget

13. Although the regular budget contribution to UNEP is relatively small, UNEP has been required to implement austerity measures called for by the United Nations Secretariat as a result of the financial crisis facing the United Nations:

(a) The Executive Director of UNEP was instructed to reduce the level of funding from the United Nations regular budget provided to UNEP by approximately $570,000 in 1996. Additional reductions are envisaged in 1997;

(b) To achieve this, a freeze has been applied to vacant regular budget posts in UNEP. Consequently, key Professional staff positions cannot be filled, impacting severely on subprogramme element areas such as water, biodiversity, atmosphere and policy.

II. CORRECTIVE MEASURES TAKEN BY THE ORGANIZATION

A. Fund-raising measures to offset the financial crisis

14. In confronting the depression in contributions to the Environment Fund, UNEP has vigorously pursued additional financial resources through various fund-raising efforts. UNEP has succeeded in leveraging additional resources that support or interface with the environment programme. For 1996-1997, these resources amounted to approximately $66 million in support from partner agencies (joint projects), trust funds, counterpart contributions (Governments), the Global Environment Facility (GEF) and other, generally private sources. This means that for every dollar deposited in the Environment Fund, more than one dollar has been additionally catalysed for environmental activities.

15. However, for purposes of understanding the impact of external resources on the programme, they need to be divided into two categories: (a) resources that are mobilized through fund-raising to support the implementation of mainstream activities; and (b) associated external resources.

16. The latter come from trust funds, including the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer and GEF, and are generally, but not exclusively, for support to the operational strategies and work programmes of the respective trusts funds. They are not for supporting mainstream activities of the programme, although in a number of cases they are complementary to specific components of the programme. This is what is referred to in paragraph 14 above as "interfacing with the Environment programme". These funds account for $24.77 million, or approximately 37.3 per cent of all external resources. Of the $24.77 million, approximately 28.7 per cent are funds in support of mainstream programme activities.

17. In this paper, UNEP's concern is principally about resources mobilized through fund-raising, which account for a little over 60 per cent of external resources, or approximately $41 million. Approximately half of these resources come in the form of in-kind and not cash contributions. Because they are largely earmarked funds, resources mobilized through fund-raising

tend to reinforce only certain areas of the Environment programme, thus leading to a possible skewing of the overall programme. This has been manifested in the following ways:

(a) While subprogramme 2 (Sustainable production and consumption) has been successful in attracting additional funds, external resources for subprogramme 5 (Global and regional servicing and support), where much of the assessment and public information capability of UNEP is centered, are much harder to mobilize. The operations under the latter subprogramme are thus severely hampered, in some cases crippled, by inadequate resources;

(b) There is a tendency for the largest grants of resources to be directed towards specific projects. The result is that a large proportion of the additional funds is being concentrated in a small number of projects or cluster of activities. For example, $1,215,000, or 78.1 per cent of all external resources for subprogramme element 4.4 (Coordination and promotion of policy-relevant research) are for one project;

(c) Earmarked funds generally go straight into specific, highly focused projects. With few exceptions they are flexible and do not increase the capacity of the organization to respond to emerging or breaking environmental issues.

18. Furthermore, a major portion of the external resources are provided in the form of in-kind contributions, accounting for approximately $24 million or 36.1 per cent of all external resources. These in-kind resources are targeted to support specific projects and cannot be redeployed to support other programme activities. While there is an inherent risk of imbalance in the approved programme as in-kind contributions boost support to particular programme areas, such in-kind contributions are used to the greatest possible extent to support projects implementing the broad thrust of approved programme activities.

19. A significant portion of counterpart contributions in the form of cash contributions has been used to support programme-targeted activities, amounting to $8.5 million as at 25 September 1996. These are the resources from fund-raising that this year have contributed the most to bolstering the implementation of the programme.

20. Without these wide-ranging fund-raising efforts, work on a number of mainstream programme targeted activities would have not been possible. Areas that have benefited from the resource-mobilization campaign include several components of subprogramme 4 (Globalization and the environment), such as environmental law, trade and environment, environmental economics and targeted scientific research, subprogramme element 1.2 (Caring for biological resources), particularly for activities on biosafety and in support of the Intergovernmental Panel on Forests, and subprogramme element 3.1 (Reduced impact of toxic chemicals), especially in support of the negotiations for a international legally binding instrument for the application of the prior informed consent (PIC) procedure for hazardous chemicals in international trade.

21. Any option for a revised programme of work for 1996-1997 should take into account the results of UNEP's resource-mobilization efforts. It has

been largely through these efforts that various subprogramme elements and components have been able to maintain financial viability and the capacity to deliver programmed outputs and services. However, this shift in the source of funding comes at the cost of flexibility to fully implement all elements of the approved programme of work, and also involves a considerably increased administrative burden.

B. Measures taken to adjust the programme of work in light of the financial crisis

22. Since the end of 1995, UNEP has been monitoring closely government pledges and the flow of cash. Commencing in February 1996, a contingency plan for the rephasing of the 1996-1997 programme was introduced to confront the financial difficulties facing the organization. The plan is basically an ongoing process to ensure that measures are taken to implement more efficiently and effectively UNEP's 1996-1997 programme of work, taking into account the availability and flow of resources. It consists of three basic elements: (a) monitoring the availability and flow of resources; (b) rephasing the implementation of the UNEP programme of work from the first to the second year of the biennium with special emphasis on timing considerations for implementing targeted activities; and (c) applying corrective measures as required, including cost-saving measures and fund-raising.

23. The preparation of a revised programme of work was initiated with the understanding that the Committee of Permanent Representatives (CPR) should be consulted on it and that it should subsequently be presented to the Governing Council at its nineteenth session in the form of this mid-term review for consideration and decision.

24. The process has consisted of the following steps, moving from rephasing to reduction of activities:

(a) The starting point of the exercise was the establishment of criteria for selecting targeted activities of the programme to be implemented in 1996. Targeted activities refers specifically to key activities to be undertaken to further the implementation of the environment programme. Five criteria were chosen: (i) priorities established in the decisions of the Governing Council at its eighteenth session; (ii) complementary regional priorities proposed in regional forums; (iii) political consequences of rephasing activities; (iv) timing considerations; and (v) the financial viability of the subprogramme elements and their component activities;

(b) An initial rephased 1996-1997 programme of work, focusing primarily on the delivery of targeted activities in 1996, was prepared internally by the programme Coordination Committee in March-April and further refined by a special Task Force of the Executive Committee, consisting of the three Assistant Executive Directors and the Director of Programme Support Services. The initial plan was approved by the Executive Director who reported on its status to the Committee of Permanent Representatives on 17 May and 17 July. Following further revisions at the Management Board meeting in June, the contingency plan called for a 1996 programme amounting to $37.5 million, with $7.5 million of Fund programme activities rephased to

1997. However, in July, based on the latest estimated and projected available resources which indicated that the financial situation was unlikely to change before 1997, work shifted from the preparation of a rephased to a reduced programme of work for the 1996-1997 biennium, predicated on a Fund programme activities budget of $66.4 million, or 26.2 per cent less than that approved by the Governing Council, and a management and administrative support costs (MASC) budget of approximately $35 million, or 16.33 per cent less than initially approved;

(c) In parallel with the rephasing exercise, cost-saving measures were identified for 1996 and implemented commencing in April. These consisted of: (i) the freezing of 14 programme Professional posts, or 8.7 per cent of all budgeted Environment Fund Professional posts; (ii) a reduction of the MASC budget from $20.98 million to $19 million; and (iii) tighter restrictions on travel. Together they accounted for savings of $3.25 million in 1996;

(d) From July to September, an examination of staff requirements for carrying out a reduced programme of work was carried out. Consequently, it was decided that a reduction of 39 programme Professional posts and 25 General Service posts was necessary. In the case of Professional officers, this represents a reduction of 24.2 per cent of all Environment Fund programme Professional posts. These reductions will result in savings of approximately $4.3 million in 1997, although the staff costs associated with downsizing, e.g. early termination and repatriation, will reduce sort-term savings. Priority will also be given to using the resources of the programme reserve for early termination and repatriation. Staff reductions are being carried out through precise redeployment procedures established by United Nations Headquarters through administrative instruction ST/AI/415;

(e) Taking into account estimated available resources for the remainder of the biennium, and in line with responsible management practices, in September the Executive Director allocated $25 million as an interim budget for 1997, reducing the Fund programme activities budget for the biennium to $62.5 million;

(f) To make up for the shortage of available resources, UNEP has launched a major fund-raising campaign in support of the UNEP programme of work for 1996-1997. However, it is not expected that the larger part of the funds raised will become available before 1997;

(g) A consultation draft of the mid-term review, dated 4 October, was the subject of an extensive consultation process with Governments, particularly through the Committee of Permanent Representatives to UNEP. The draft was presented to a joint meeting of subcommittees 2 (Programme) and 3 (Fund) of the CPR on 9 October. Subsequently a working group of subcommittees 2 and 3 was formed, which met to discuss the details of the mid-term review on 16, 24 and 29 of October. On 4 November, the Executive Director held informal consultations with approximately 40 Governments in Geneva, including a mix of Permanent Representatives, other member States of the Governing Council and representatives of capitals. In addition to examining the mid-term review, the latter meeting addressed issues such as the future of UNEP and adequate and predictable financing of the organization and recommended launching a process of discussion prior to the special

session of the General Assembly in 1997. In general, donor countries expressed concern over the financial predicament of the organization. On the basis of the above consultation meetings, minor modifications were made to the mid-term review document.

25. As a complementary initiative to the above process, UNEP prepared a report entitled "Ensuring adequate and predictable financing of the United Nations Environment Programme: a challenge to Governments" (UNEP/GC.19/INF.10), which was presented to the fifty-seventh meeting of the Committee of Permanent Representatives, on 2 October 1996. The purpose of the report was to present for the consideration of Governments various avenues for ensuring that the Council-approved environment programme will be financially viable and can be implemented without resource uncertainties in the medium term.

26. It is important to underscore that, in addition the specific measures outlined above, UNEP has implemented several efficiency measures (see UNEP/GC.19/6 and Add.1) in response to the financial situation facing United Nations system-wide and in an effort to increase efficiency and effectiveness in the system.

III. IMMEDIATE IMPACT ON UNEP OF THE FINANCIAL CRISIS: CUTS TO APPROVED PROGRAMME ACTIVITIES AND THE REVISED PROGRAMME OF WORK FOR 1996-1997

27. In response to the financial constraints facing UNEP, an integral aspect of the above rephasing process has been actual cuts to approved programme activities. These are described in the composite budget document that will be before the Council at its nineteenth session (UNEP/GC.19/22). 1/

28. In rephasing activities initially programmed for 1996, particular care was given to ensuring that available resources were deployed to support targeted activities for furthering the priorities of the environment programme as reflected in the decisions of the Governing Council at its eighteenth session. These priorities are listed in table 2 on page 16 below, which was prepared following extensive discussions and analyses in the programme Coordination Committee, the Executive Committee and the Management Board. It should be noted that, in 1996, the Executive Director did not exceed her authority to adjust the apportionment for each budget line by 20 per cent.

29. Despite the financial difficulties facing the organization, by streamlining its activities, focusing its resources, and targeting its fund-raising, UNEP has succeeded in delivering or promoting progress towards achieving the following major results, among others, in 1996:

1/ This description of the actual cuts to approved programme activities was originally circulated as an annex to the consultation draft of the present document. As it has now been incorporated into the composite budget document, it is not reproduced again here in order to avoid duplication.

(a) Substantial progress in the negotiation and development of an international legally binding instrument for the application of the PIC procedure for certain hazardous chemicals in international trade;

(b) The development of a substantial proposal for the consideration of the Governing Council at its nineteenth session on further measures to reduce the risks from a limited number of hazardous chemicals;

(c) The development of substantial recommendations and information on international action regarding persistent organic pollutants (POPs), including the appropriateness of an international legal mechanism, for the consideration of the Council at its nineteenth session;

(d) Considerable progress in the start-up of the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA), including intergovernmental, interagency and intersecretariat (regional seas) consultations; regional planning workshops in West and Central Africa, East Asia, West Asia, the Mediterranean and the Caribbean; and the launching of the Land-based Activities (LBA) Assessment of the Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection (GESAMP);

(e) Revitalization of the regional seas programme, with special emphasis on the Wider Caribbean, East Asia, Eastern Africa, West Africa and the Mediterranean;

(f) Development of the African Water Strategy of the Secretary-General's Special Initiative for Africa;

(g) Strengthening of the implementation of the International Coral Reef Initiative by promoting greater understanding of coral reefs and associated ecosystems at the global level and building national capabilities to develop management strategies and action plans in the Western Indian Ocean/Eastern African region;

(h) The voluntary adoption and implementation of the UNEP International Technical Guidelines for Safety in Biotechnology, including a global workshop for assessing implementation, regional workshops for determining capacity building requirements and the launching of the UNEP International Register on Biosafety;

(i) Support and substantive contribution to the work of the Intergovernmental Panel on Forests;

(j) The establishment of the Secretariat of the Convention on Biological Diversity in Montreal, including the finalization of a host country agreement;

(k) Launching and promotion of the Pan-European Biodiversity Strategy;

(l) Substantial progress in the formulation of a policy paper on linkages between the Convention on Biological Diversity and the United Nations Convention on Climate Change, with special emphasis on scientific

assessments and their relationship to ongoing assessments in ozone, water and drylands;

(m) Initiation of the UNEP Climate Impacts programme within the Framework of the Climate Agenda;

(n) Assessment of the status of dryland degradation through the revised edition of the World Desertification Atlas;

(o) Strengthening national capacities for attaining sustainable production in industry by supporting and catalysing national, subregional and regional cleaner production centres;

(p) Preparing and convening of the Ministerial Roundtable on Trade and Environment;

(q) Substantial progress in the review of the programme for Development and Periodic Review of Environmental Law for the 1990s (Montevideo Programme II);

(r) The issuing of UNEP's law book on the occasion of the fiftieth anniversary of the United Nations;

(s) Fulfilment of the Task Manager role for UNEP in respect of various Agenda 21 chapters in support of the Commission on Sustainable Development (chapters 9, 12, 15, 39), as well as considerable inputs and contributions to the fourth session of the Commission;

(t) Preparations for the 1997 special session of the General Assembly, including substantial progress in the elaboration of the Global Environment Outlook report series;

(u) Publication of the report World Resources 1996-1997 and the State of the Environment (SOE) Source Book;

(v) Progress towards the establishment of the Global Terrestrial Observation System (GTOS) through the development of a GTOS operational strategy;

(w) Strengthening of partnerships with stakeholders, particularly in the insurance, manufacturing and biotechnology industries;

(x) Promotion of the principles of environmental citizenship.

IV. OPTIONS FOR THE CONSIDERATION OF THE GOVERNING COUNCIL

A. Proposed focal areas for 1997

30. UNEP has been, and remains, primarily a catalytic institution. Its strength lies in providing leadership in global environmental policy and international environmental cooperation, and in influencing and facilitating action to protect and improve the environment. Its forte lies in staying at the cutting-edge of environmental issues; providing information, advice and

guidance; building scientific and intergovernmental consensus; identifying emerging issues and exploring unattended facets of known issues; and in setting the agenda for better environmental management and environmentally sound development.

31. In light of the constraints on projected resource availability in the second half of the biennium, the Executive Director recommends that UNEP in 1997 should focus its work in the following areas where it has demonstrated strength (assessment, addressing emerging issues, policy formulation, and catalysing and facilitating negotiations, among others):

(a) Strengthening UNEP's regional presence, including the Special Initiative for Africa;

(b) Assessing the state of the environment (the Global Environment Outlook).

(c) Undertaking environmental negotiations and development of international environmental law (PIC and POPs);

(d) Implementing newly mandated programmes (the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities);

(e) Maintaining ability to address emerging issues (e.g., environment and trade);

(f) Maintaining momentum on sustainable production;

(g) Refocusing environmental education (Environmental Citizenship).

32. In addition to the above focal areas, UNEP would also continue to support the following activities, albeit at a lower level until the financial situation improves:

(a) Support to the environmental conventions;

(b) Policy development and inter-agency affairs;

(c) Information and public affairs;

(d) Legal advice;

(e) Development of UNEP's work in the International Environmental Technology Centre (IETC), environmental economics and energy;

(f) Mobilization of resources, particularly through GEF;

(g) Improvement of UNEP's communications networking through Mercure and the Environment and Natural Resources Information Network (ENRIN).

B. Option A

33. Option A 2/ is the programme of work for the 1996-1997 biennium adopted through Governing Council decision 18/40. This decision recalls that in paragraph 38.21 of Agenda 21, adopted by the United Nations Conference on Environment and Development (UNCED), the mandate of UNEP as the lead environment institution in the United Nations system was reconfirmed, acknowledging the need for an enhanced and strengthened role for UNEP and its Governing Council. With the adoption of the new integrated programme of work, UNEP achieved the distinction of being the first organization in the United Nations system to overhaul its programme in response to the decisions of UNCED. Moreover, its new programme was poised to follow through on a number of critical issues in Agenda 21 requiring urgent action.

34. The new integrated programme is built on: (i) developing and promoting state-of-the-art scientific assessments, (ii) formulating policy options for enhancing decision-making and environmental management; (iii) leveraging knowledge for building consensus on critical environmental problems and issues; (iv) assisting Governments at the global, regional, subregional and national levels in formulating sound environmental management strategies; and (v) promoting more effective cooperation and coordination on environmental matters with partners within and outside the United Nations system.

35. Although expectations were high following the eighteenth session of the Governing Council and recognition was given to the organization by being selected earlier to perform the secretariat functions for the Convention on Biological Diversity and, in October 1995, to serve as the secretariat of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, the requisite resources for fully delivering the new integrated programme did not materialize. By reaffirming the 1996-1997 programme of work adopted at the eighteenth session of the Council and ensuring that the required resources are provided, Governments will also reconfirm and strengthen, as called for in Agenda 21, the unique, critical and strategic role that UNEP is expected to play in moving forward the global environmental agenda. Such a reaffirmation will also reconfirm the commitment which Governments made by adopting the programme of work at a level of $90 million.

36. If option A is agreed upon, Governments should decide what measures should be utilized to inject the original approved resources required by the programme of work in an expeditious manner so as to allow UNEP to avert further financial difficulties and get on with the delivery of the programme.

C. Option B

37. Option B 3/ assumes that Governments will not increase their contributions to UNEP this biennium and that estimated available resources will only allow for a programme of work amounting to $62.5 million, with $37.5 million for 1996 and $25 million for 1997. This imbalance in the

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2/ See table 3 on page 22 below, under the heading "Original".

3/ See table 3, under the heading "Revised".

programme budget from one year to another is largely due to timing considerations. The year 1996 has been a crucial one for the delivery of outputs and services that have been or will be major inputs to the fourth session of the Commission on Sustainable Development (April 1996), the nineteenth session of the Governing Council (January-February 1997), and the special session of the General Assembly for the review and appraisal of Agenda 21 (June 1997). Work on a number of major related activities had to be carried out in 1996.

38. As a precautionary measure, the Executive Director in September allocated an interim programme budget of $25 million for 1997 in order to avoid a deficit carry-over from the 1996-1997 biennium to the 1998-1999 biennium. Interim allocations were adopted for managerial and operational purposes, including the downsizing of the organization and redeployment of staff.

39. With a budget of $25 million in 1997, the capacities and outputs of the programmes in Water, Chemicals and Sustainable Production would be significantly affected. The following programmes would be severely affected: Environmental Information Systems, Sustainable Consumption Patterns, Coordination and Promotion of Policy-Relevant Research, Biodiversity, Environmental Law, Coordination of Conventions and the Information Unit for Conventions. In addition to reduced outputs, advisory and information services, including public awareness, would be severely curtailed both at the global and regional levels. UNEP's position as a centre of environmental excellence and expertise would be weakened. Details are provided in the composite budget document referred to in paragraph 27 above.

40. The Governing Council may wish to reduce the programme budget across the board. The consequences could be that resources would be too dispersed and inadequate for efficient and effective programme delivery in certain areas. Although, this would seem to respect the Governing Council percentages for programme elements, specific priority activities would not be fulfilled. In the judgment of the secretariat, any attempt to reduce the programme budget across the board would be unworkable.

41. The Governing Council may also wish to concentrate the available resources on certain programme areas. The elements for such an approach are provided in by subprogramme element in part three of the composite budget document under the heading "Prospects for 1997". Obviously this approach will have consequences. It would be necessary to drop important areas of work in order to free the necessary resources to perform and deliver effectively in other areas of concentration.

42. The Governing Council may also wish to consider freezing for the remainder of the biennium entire subprogramme elements in order to free resources to be redeployed to other areas of the programme where key issues for this biennium are being addressed, such as in Chemicals and Water. Such drastic decisions should take into account the following criteria: (i) the importance of the role played by UNEP in the particular subject area and issue; (ii) the order of priority of the activities undertaken in the specific subprogramme element; (iii) the likelihood that activities undertaken in these areas could be carried out effectively by partners and other organizations; and (iv) the financial viability of the subprogramme

element. These subprogramme elements could be reintegrated in the 1998-1999 programme of work if so decided by the Governing Council. The consequences of such an approach would be loss of expertise and a deterioration in the coordination role of UNEP in the environment within the United Nations system.

43. Option B assumes that: (i) the $9.98 million in unpaid estimated Government contributions projected for 1996 will be paid (see paragraph 9 (b) above); and (ii) government contributions in 1997 will be equal to or greater than in 1996. If they are not, the situation will be further aggravated. Moreover, all Governments need to be encouraged to pay their contributions to UNEP in a timely manner as called for in Governing Council decision 18/41 A.

Table 1

FLOW AND USE OF RESOURCES OF THE FUND 1994-1995 and 1996-1997
(Millions of US dollars)
as at 30 September 1996

	1994	1995	1996	1997
RESOURCES				
(a) Balance of Fund on 1 January	38.78	41.35	5.60	-5.27
(b) Contributions paid	65.07	56.95	37.65	-
(c) Unpaid pledges	-	-	1.35	1.97
(d) Additional estimated contributions	-	-	8.63	46.30
(e) Total estimated contributions	65.07	56.95	47.63	48.27
(f) Miscellaneous income	2.76	1.98	0.50	0.50
TOTAL RESOURCES	**106.61**	**101.10**	**53.73**	**43.50**
CLAIMS ON RESOURCES				
(g) Management and administrative support costs	20.28	18.34	19.00	16.00
(h) Fund programme activities	42.31	74.33	37.50	25.00
(i) Fund programme reserve activities	1.85	2.83	2.50	2.50
(j) Additional programme	-	-	-	-
(k) Total project expenditure	44.16	77.16	40.00	27.50
(l) Increase in financial reserve	-	0.00	0.00	0.00
TOTAL CLAIMS	**64.44**	**95.50**	**59.00**	**43.50**
BALANCE OF FUND ON 31 DECEMBER	**42.17**	**5.60**	**-5.27**	**0.00**

Table 2

PRIORITY AND TARGETED ACTIVITIES FOR 1996

Priority and targeted activities	Decisions of the Governing Council at its eighteenth session
General	
1. Support to Conventions, including work of the IUC.	18/1
• Establishment of the Secretariat of the Convention on Biological Diversity (CBD) in Montreal.	18/36 A 18/40
• Convening of an open-ended intergovernmental workshop on cooperation between the Convention on Biological Diversity and other international conventions on related issues.	18/1 18/40
• Support to the United Nations Convention to Combat Desertification (UNCCD).	18/1 18/26 18/39 A 18/40
• Implementation of the UNEP Climate Impacts Programme within the framework of the Climate Agenda.	18/20 A 18/40
• Support to the Climate Change Convention with particular emphasis on the work of the Intergovernmental Panel on Climate Change.	18/20 B 18/40
• Organization and dissemination of results of UNEP Conference on Activities Implemented Jointly under the United Nations Framework Convention on Climate Change.	18/1

Priority and targeted activities	Decisions of the Governing Council at its eighteenth session
Subprogramme 1: Sustainable management and use of natural resources	
2. Initiation of the implementation of the Global Programme of Action (GPA) for the Protection of the Marine Environment from Land-based Activities (LBA).	18/1 18/31 18/34 18/40
• Establishment of the secretariat of the GPA.	18/31
• Implementation of the GPA with special emphasis on regional planning workshops in West and Central Africa, East Asia, West Asia, the Mediterranean region, and the Caribbean region.	18/1 18/31 18/32 18/34 18/39 E 18/40
• Integration of the GPA into the work programmes of the regional seas programmes and relevant river basin action plans, with a particular view to strengthening the regional seas programmes.	18/1 18/31 18/32 18/34 18/39 E 18/40
• GESAMP LBA Assessment	18/1 18/31
• Completion of diagnostic studies on the Mekong River and San Juan River basins.	18/1 18/40
3. Application of the fair share approach for the African Water Strategy of the Secretary-General's Special Initiative for Africa.	18/1 18/39 A
4. Support to regional programmes for the sound management of natural resources, particularly in transboundary settings.	18/1 18/38 18/40
• International Coral Reef Initiative (ICRI): Co-sponsorship of the International Coral Reef Symposium and the ICRI regional workshop for East Africa	18/33 18/40
• Preparation of the project proposal for the design and implementation of the Central American Biological Corridor	18/1 18/38 18/40

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Priority and targeted activities	Decisions of the Governing Council at its eighteenth session
• Support to the Sustainable Europe Programme	18/1 18/24 18/38 18/40
5. Implementation of the International Technical Guidelines for Safety in Biotechnology.	18/1 18/36 B 18/40
• Regional workshops for determining capacity- building requirements in support of the implementation of the Guidelines	18/1 18/36 B 18/40
• Initiation of capacity-building activities for implementing the Guidelines	18/1 18/36 B 18/40
• Establishment of the International Register on Biosafety in support of the implementation of the Guidelines	18/1 18/36 B 18/40
6. Awareness-raising on dryland degradation problems and issues.	18/1 18/26 18/39 A 18/40
• Public-awareness campaign on desertification issues, including-success stories and best- practices in land degradation control and publication of the Desertification Control Bulletin.	18/1 18/26 18/39 A 18/40
7. Assessment of the status of dryland degradation as a major contribution to the 1997 review of the implementation of Agenda 21.	18/1 18/26 18/39 A 18/40
• Revised edition of the World Atlas of Desertification.	18/1 18/26 18/39 A 18/40
• Development of land quality/desertification indicators, including indicators on socio-economic dimensions of land desertification control.	18/1 18/26 18/39 A 18/40

Priority and targeted activities	Decisions of the Governing Council at its eighteenth session
8. Provide institutional capacity-building and servicing of Environmental and Natural Resources Information Networks (ENRIN) in Africa, Asia and the Pacific, Europe and Latin America and the Caribbean.	18/1 18/40
Subprogramme 2: Sustainable production and consumption	
9. Build consensus on policies and strategies for sustainable production and consumption.	18/1 18/23 18/35 18/40
10. Support and catalyse national, subregional and regional cleaner production centres.	18/1 18/23 18/40
Subprogramme 3: A better environment for human health and well-being	
11. Support to two intergovernmental meetings for the negotiation of a legally binding instrument on a Prior Informed Consent (PIC) Procedure for hazardous chemicals in international trade.	18/1 18/12 18/40
12. In coordination with the Inter-Organization Programme for the Sound Management of Chemicals (IOMC) and the Intergovernmental Forum on Chemical Safety (IFCS), assessment of and international response stratgegy for addressing persistent organic pollutants (POPs).	18/1 18/31 18/32 18/40
13. The Joint UNCHS/UNEP Sustainable Cities Programme.	18/15 18/40
14. Promote the transference of environmentally sound technologies for urban development and the sustainable management of freshwater resources.	18/1 18/40
15. Support to the Middle East Peace Process.	18/11 18/40
16. Preparation of state-of-the-environment report on Antarctica and the Secretary-General's report on Antarctica to the General Assembly.	18/40

Priority and targeted activities	Decisions of the Governing Council at its eighteenth session
17. Preparation of the state-of-the-environment report on the Arctic and participation in the meetings of the Arctic Council.	18/40
Subprogramme 4: Globalization and the environment	
18. Moving forward the critical debate on trade and environment.	18/1 18/3 18/40
• Meeting of the ad hoc expert group on trade and environment.	18/1 18/3 18/40
• UNEP Conference on Implementing Environmental Commitment by the Insurance Industry (London, 20-21 May 1996).	18/1 18/3 18/40
• Meeting of the UNEP Expert Group on Eco-labelling (Helsinki, Finland).	18/1 18/3 18/40
• Ministerial Meeting of Trade and Environment Ministers and Officials (September/October 1996)	18/1 18/3 18/40
19. Promoting the improvement and implementation of economic tools for enhanced environmental management.	18/1 18/3 18/40
• Enhance the use of environmental impact assessment (EIA) as an effective tool for sound environmental management and sustainable development.	18/1 18/3 18/40
• Support international efforts leading to the further development and application of environmental and natural resource accounting (ERA).	18/1 18/3 18/40
• Roundtable workshop on banks and the environment for the Western Hemisphere.	18/1 18/3 18/40
20. Implementation and review of the Programme for Development and Periodic Review of Environmental Law for the 1990s (Montevideo Programme II).	18/1 18/3 18/9 18/25 18/40

Priority and targeted activities	Decisions of the Governing Council at its eighteenth session
21. Capacity building in the field of environmental law.	18/1 18/3 18/40
22. Preparation for the 1997 special session of the General Assembly and review the governing structure of UNEP.	18/2 18/7 18/27 18/40
23. Preparation of a UNEP strategy for targeted scientific research in critical environmental areas (biodiversity, water, climate and land) with a focus on linking the Global Biodiversity Assessment, the IPCC Second Assessment Report and ongoing scientific assessments in ozone depletion and drylands degradation.	18/1 18/40
Subprogramme 5: Global and regional servicing and support	
24. Preparation of the Global Environment Outlook through regional consultations and in cooperation with collaborating centres.	18/1 18/27 18/40
25. Strengthening of UNEP's regional presence and programme delivery and support to regional cooperative frameworks	18/1 18/38 18/39 18/40
26. Development and promotion of the principles of environmental citizenship.	18/1 18/40

Table 3

APPROPRIATION/APPORTIONMENT FOR THE BIENNIUM 1996-1997

Subprogrammes/Subprogramme elements	Original	Revised	Original	Revised
	($ '000s)		(Percentages)	
1. Sustainable management and use of natural resources	**35,100**	**22,506**	**39.0%**	**36.0%**
1.1 Caring for freshwater, coastal and marine resources	13,500	8,157	15.0%	13.0%
1.2 Caring for biological resources	7,200	5,132	8.0%	8.2%
1.3 Caring for land resources	8,100	4,772	9.0%	7.7%
1.4 Information for decision-making and action planning	6,300	4,445	7.0%	7.1%
2. Sustainable production and consumption	**9,900**	**7,106**	**11.0%**	**11.3%**
2.1 Sustainable production	7,200	4,890	8.0%	7.8%
2.2 Reduced environmental impacts of energy utilization	1,800	1,887	2.0%	3.0%
2.3 Environmentally sustainable production and consumption patterns	900	329	1.0%	0.5%
3. A better environment for human health and well-being	**10,800**	**7,734**	**12.0%**	**12.4%**
3.1 Reduced impacts of toxic chemicals and wastes	5,400	4,946	6.0%	7.9%
3.2 Improved environmental management practices in urban areas	4,500	2,164	5.0%	3.5%
3.3 Environmental change and emergencies	900	624	1.0%	1.0%
4. Globalization and the environment	**7,200**	**5,048**	**8.0%**	**8.1%**
4.1 Trade and the environment	900	798	1.0%	1.3%
4.2 Environmental economics	900	687	1.0%	1.1%
4.3 Environmental law	3,600	2,869	4.0%	4.6%
4.4 Coordination and promotion of policy-related research	1,800	694	2.0%	1.1%
5. Global and regional servicing and support	**27,000**	**20,105**	**30.0%**	**32.2%**
5.1 Environmental assessment	5,400	4,093	6.0%	6.5%
5.2 Support to regional and subregional cooperation	9,000	6,213	10.0%	10.0%
5.3 Public awareness, education and outreach to major groups	8,100	6,006	9.0%	9.6%
5.4 Design and implementation of a coordinated system for international environmental information exchange: UNEPNET	4,500	3,793	5.0%	6.1%
TOTAL	**90,000**	**62,500**	**100.0%**	**100.0%**